

# Model Framework for an Inclusive Business Accreditation System in ASEAN



**ESCAP**  
Economic and Social Commission  
for Asia and the Pacific

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## ABBREVIATIONS

ACCMSME	ASEAN Coordinating Committee on Micro, Small and Medium Enterprises
ASEAN	Association of Southeast Asian Nations
AEM	ASEAN Economic Ministers
BoP	base of the economic pyramid
CSR	corporate social responsibility
ESG	environmental, social and governance
ESCAP	Economic and Social Commission for Asia and the Pacific
G20	Group of 20
IB*	inclusive business
IBSO	inclusive business support organisation
ILO	International Labour Organization
ISO	International Organization for Standardization
MSME	micro, small and medium enterprise
PPP	purchasing power parity
SDGs	Sustainable Development Goals
SME	small and medium enterprises
USD	United States Dollar

\* For clarity, “IB” is utilised in conjunction with specific names (e.g. IB accreditation system), while “inclusive business” is employed when standing alone.

# Executive Summary

Inclusive business (IB) plays a vital role in fostering sustainable economic growth and social development within the ASEAN region, integrating people at the base of the economic pyramid (BoP) into the value chain. Since 2017, ASEAN has been at the forefront in promoting the agenda of inclusive business, calling on Member States to build an enabling environment to encourage inclusive business practices in the region, which includes the establishment of accreditation systems to recognise inclusive businesses.

In 2023, the ASEAN Economic Ministers (AEM) endorsed the Plan of Action for the Promotion of Inclusive Business in ASEAN (2023-2027), and the Ministers responsible for the development of micro, small and medium enterprises (MSMEs) adopted the Joint Ministerial Statement titled “Declaration on Promoting Inclusive Business Models: Empowering Micro, Small and Medium Enterprises for Equitable Growth”. These two documents highlighted the need to support the establishment of national IB accreditation systems in ASEAN that recognise businesses with IB models, and to promote, to the extent possible, a standardised ASEAN approach to IB accreditation. The documents also encouraged that such accreditations be linked to possible government support. By establishing a system for accreditation of inclusive businesses, governments can acknowledge their contribution to poverty alleviation and the Sustainable Development Goals (SDGs) and reward the businesses for their contribution, thereby creating incentives for them and others to establish and expand inclusive businesses.

The **Model Framework for an Inclusive Business Accreditation System in ASEAN (Model Framework)** provides a comprehensive **guide for governments** in ASEAN seeking to establish a national accreditation system for inclusive businesses. It gives detailed information about:

- The concept of inclusive business and the rationale for the accreditation of inclusive businesses.
- Accreditation criteria and benchmarks.
- The process and governance system to manage and oversee the accreditation.
- Financial and non-financial incentives that can be provided to IB-accredited and potential inclusive businesses.
- The tools to conduct the accreditation.

The Model Framework is a clear, transparent and credible accreditation system to assess whether a business qualifies as inclusive. It has been developed based on the Guidelines for the Promotion of Inclusive Business in ASEAN, and, builds on the practical experiences of Cambodia and Viet Nam. It 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 to assess inclusive business models. These indicators and benchmarks can be adjusted to reflect the country context and national priorities.

The Model Framework also puts forward the process and governance system to manage the accreditation system. The accreditation process involves nine steps:

1. Preparatory stage: establishing the IB Accreditation System and launching the process.
2. Self-assessment of IB readiness by companies.
3. Validation of the self-assessment and an initial rating of companies, either as an accredited inclusive business or a potential inclusive business, by IB support organisations.
4. Nomination of accredited and potential inclusive businesses by IB support organisations.
5. Validation by the IB accreditation agency.
6. Approval of IB-accredited companies by the IB steering committee.
7. Promotion of IB-accredited companies and support for potential inclusive businesses.
8. Review of the IB accreditation process by the IB accreditation agency.
9. Annual update of the list of accredited inclusive businesses and their profiles

Governments can offer incentives to the companies assessed and recognised as inclusive businesses by extending support such as advisory services for inclusive business development, training and coaching, trade promotion, provision of tax exemptions, preferential treatment and access to finance.

The Inclusive Business Accreditation System outlined in this Model Framework is not a one-size-fits-all system. It may be tailored so it is applicable to the local context. Customisation, both in terms of the system and the process, is essential to ensure that the accreditation system aligns with the unique socio-economic realities of the country, taking into account national priorities, institutional features and national regulatory frameworks.

The establishment of the national IB accreditation system will typically require a series of actions:

- Identifying the agency responsible for the IB accreditation system.
- Establishing a steering committee to guide the design and implementation of the IB accreditation system.
- Defining principles, indicators and benchmarks.
- Outlining the IB accreditation process and the roles of different stakeholders.
- Identifying financial and non-financial incentives that can be provided to IB-accredited and potential inclusive businesses.
- Piloting the system and obtaining final approval of the national IB accreditation system.





**1.**  
Why Establish an Inclusive  
Business Accreditation System?

An Inclusive Business Accreditation System encourages businesses to adopt models that integrate low-income and marginalised communities into the value chains. Inclusive businesses generate valuable opportunities for improved income and quality of life for low-income populations as consumers, producers and entrepreneurs. By establishing a system for accreditation of inclusive businesses, the government can provide a range of incentives to accredited business, such as grants, market access through government procurement programme, and acknowledgement of their contribution to poverty alleviation and the Sustainable Development Goals (SDGs). The government can incentivise the establishment and expansion of inclusive businesses by rewarding their contributions.

The model framework provides guidance for government officials and other stakeholders

seeking to develop and implement an accreditation system to recognise inclusive businesses in ASEAN (see box 1).

The first chapter introduces the concept of inclusive business and why it is relevant for governments to promote them.

## 1.1 Why inclusive business matters

Achieving inclusive growth and addressing poverty, as well as multidimensional inequalities, remains a critical policy agenda.<sup>1</sup> Inclusive businesses are becoming increasingly relevant for governments as they offer a sustainable approach to economic growth and poverty reduction.<sup>2</sup> Inclusive businesses support the inclusive growth agenda of lifting people out of poverty at scale by offering

### Box 1. Purpose and audience of this Model Framework

The purpose of the Model Framework is to provide a comprehensive guide for ASEAN governments on how to develop a national IB accreditation system with the goal of promoting and supporting the growth of inclusive businesses. It is intended for policymakers, government officials and other stakeholders involved in the accreditation process. The model framework builds on criteria and definitions outlined in the ASEAN Guidelines for the Promotion of Inclusive Business in ASEAN (2020) as well as on the experiences of Cambodia and Viet Nam in developing an IB Accreditation System and on the experience of other ASEAN Member States in developing rating systems for social enterprises. It provides practical guidance on how to identify, assess and set up an accreditation system and process for the accreditation of inclusive businesses.



Photo: Viet Nam, FAO

1 ESCAP. *Building Forward Together: Towards an Inclusive and Resilient Asia and the Pacific*, 2022

2 ASEAN. *Guidelines for the Promotion of Inclusive Business in ASEAN*. asean.org, 2020. <https://asean.org/wp-content/uploads/2021/09/6.-ASEAN-IB-Promotion-Guidelines-Endorsed-at-the-52nd-AEM.pdf>.

### Box 2. An inclusive business in Cambodia enables smallholder farmers to earn more

In Cambodia, Amru Rice works directly with more than 20,000 farmers, pays 20–30 per cent more than similar enterprises, and is highly profitable. Amru Rice helps smallholder farmers to better understand their market and build knowledge and resilience. Growers are invited to become shareholders in the company and receive dividends. Concurrently, Amru Rice works with development partners to increase capacity and upskill growers' cultivation practices. This allows farmers to receive a greater, more equitable share of the economic benefits generated by their activities.

Source:  
ESCAP, *Frontiers of Inclusive Innovation. Formulating Technology and Innovation Policies that Leave No One Behind*, 2021

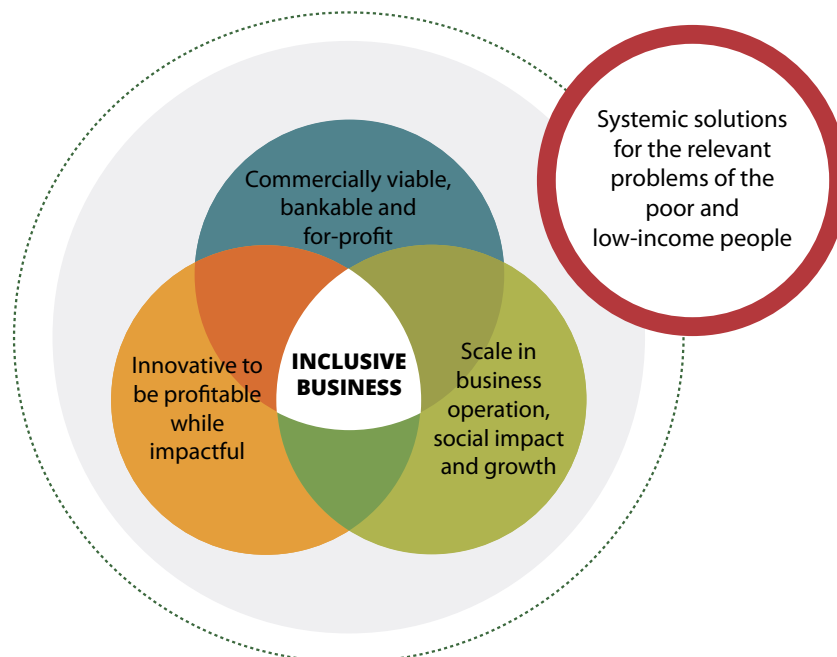
income opportunities and access to basic goods and services such as education, health, energy, water and housing. For the poor and low-income population, inclusive businesses provide sustainable sources of income opportunities as well as goods and services which are affordable, accessible, available and acceptable.<sup>3</sup>

Inclusive businesses are deliberately designed to create a positive impact for low-income populations (see box 2). In comparison, while many private-sector firms also work with or sell to low-income people in some way or another, they usually lack this focus on creating a positive impact. Inclusive businesses provide triple wins for: the private sector, the poor, and the government and society at large (see figure 1).

#### Inclusive businesses generate triple wins:

- For low-income populations: Inclusive businesses create income-generating opportunities above the market rate and/or expand access to essential goods and services. They provide choices that can lead to the growth and empowerment of marginalised groups.

Figure 1: Triple wins of inclusive business



Source: ESCAP, "Triple Wins of Inclusive Business", n.d.

<sup>3</sup> Ibid.

- For companies: Inclusive business practices offer commercial and investment prospects, reduced risks, increased market share and access to new markets, and opportunities to strengthen supply chains, foster innovation and gain a competitive advantage.<sup>4</sup> They also enhance the reputation and brand value of companies, which can increase customer and employee loyalty.
- For governments: Inclusive businesses create jobs and address the essential needs of low-income people. This includes the generation of income opportunities that lift people out of poverty at scale, and the delivery of relevant and affordable goods and services (including education, health, water, energy and housing).

### 1.1.1 Defining an inclusive business

Inclusive businesses are “businesses that provide goods, services, and livelihoods on a commercially viable basis, either at scale or scalable, to people living at the base of the economic pyramid (BoP) making them part of the value chain of companies’ core business as suppliers, distributors, retailers, or customers.”<sup>5</sup> This definition by the G20 is currently the most widely used and the one adopted in the ASEAN Inclusive Business Framework.<sup>6</sup>

People living at the base of the economic pyramid refers to low-income populations. They include people who fall below the poverty line, based on national definitions, as well as a segment that are above the poverty line but are facing difficulties to make ends meet. On the international level, the equivalent of USD 8 per

day per person is often used as a benchmark to identify this group.<sup>7</sup> On the national level, definitions vary from country to country.

#### Box 3. An inclusive travel agency empowers local communities in Malaysia

Sukau Rainforest Lodge by BET, one of the biggest travel agencies in Malaysia, aims to empower the local community by providing well-paid income opportunities. The lodge trains the local people to conduct tours and work as boat captains. It also offers other job opportunities in the lodge resort. In this inclusive business, about 500 villagers – previously hunter-gatherers – are directly benefiting by being involved in the value chain as tour guides, cooks and drivers, as well as in housekeeping and maintenance. In addition, 30 villagers now run their own tour operating business, making on average about 15,000 Malaysian Ringgit a year. Sukau Rainforest Lodge plans to double the number of beneficiaries to 1,000 villagers by 2024.

Source:  
ESCAP, iBAN. *Landscape Study of Inclusive Business in Malaysia*, 2022

4 UN Global Compact and Business Call to Action. *Implementing Inclusive Business Models: How Business Can Work with Low-Income Communities*, unglobalcompact.com, 2015. <https://unglobalcompact.org/library/3161>.

5 G20 Development Working Group. *G20 Inclusive Business Framework*, 2015. <https://www.ifc.org/content/dam/ifc/doc/mgrt/attachment-g-g20-inclusive-business-framework-final.pdf>.

6 Today, the most used definition for inclusive business is that of the G20. However, there are several alternative definitions that highlight different aspects of inclusive business. For example, the United Nations Development Programme includes employment in the definition of inclusive businesses. The Asian Development Bank definition also indicates employment opportunities for low-income groups as one dimension of inclusive business. One of the disadvantages is that adding employment would create an overlap with other policy mechanisms from the labour policy perspective. This would lead to a complexity in assessing the extent of inclusivity of the labour itself. Tewes-Gradl, Christina, and Claudia Knobloch. *Brokering Inclusive Business Models Guide*. Endeava, 2010. <https://endeava.org/publication/brokering-inclusive-business-models>; Schoneveld, George C. *Sustainable Business Models for Inclusive Growth: Towards a Conceptual Foundation of Inclusive Business*. *Journal of Cleaner Production*, vol. 277, 2020: 124062. <https://doi.org/10.1016/j.jclepro.2020.124062>.

7 International definition: the base of the income pyramid with a global threshold of USD 8.44 per capita per day PPP 2010 (ASEAN 2020).

### 1.1.2 How inclusive businesses bring value to low-income populations

People with low income often cite the lack of real-life choices and opportunities as an important aspect of poverty.<sup>8</sup> Inclusive businesses, by improving economic opportunities in low-income communities in multiple ways, offer realistic choices. This enables inclusive growth and sustainable development.<sup>9</sup> Inclusive businesses can provide affordable access to valuable goods and services like affordable energy (for another example, see box 3). They can also provide training and work opportunities (see boxes 3 and 4).

Low-income communities can become valuable business partners as customers or suppliers. Inclusive businesses often build new markets, thus improving the market environment, and the capacities of low-income populations.<sup>10</sup>

Inclusive businesses that create income and livelihood opportunities can often be found in the agriculture, handicraft and tourism sectors. Involving smallholder farmers, fishers or artisans and small-scale producers strengthens the supply chain of businesses and gives them access to new, and potentially unique, products. Small producers often receive support from the businesses in their practices, in access to production factors, and in access to finance, which helps them to increase productivity and resilience.

Businesses that create access to goods and services can be found across sectors, including water, energy, sanitation and hygiene, health, finance and education. By developing business solutions around these vital goods and services, inclusive businesses create sustainable access that is available, affordable, accessible and acceptable.<sup>11</sup> Governments can tap into this capability and partner with inclusive businesses to extend access.

In regions where inclusive businesses sell to low-income populations they typically also create opportunities in distribution. For businesses it can be tough to reach low-income communities, where formal distribution systems are often non-existent. Collaborating with small retailers and distributors or tapping into self-help groups generates income opportunities and technical support for these actors and expands the reach of businesses.

#### Box 4. Women in Sabah, Malaysia, earn 15–20 per cent more by working for an inclusive business

Everlasting Mus was established in 2007 in Kota Kinabalu (Sabah) in Malaysia as a training provider. Its vocational training centre, the Swepp Academy, addresses the demand for training from the tourism, hospitality (especially spa therapists) and creative industries. About 17 per cent of the company's revenue is generated by its inclusive business line, and they are planning to scale it further by aiming to source from 500 artisans by 2023. The training focuses on some of the most disadvantaged and poorest communities, such as school dropouts, single mothers, and unemployed youth. Everlasting Mus promotes handicrafts such as women's and men's garments, handbags, pouches, accessories, home decor, corporate gifts and souvenirs. On average the women entrepreneurs working as suppliers with Everlasting Mus earn 15–20 per cent more than other women in Sabah doing similar handicrafts for other companies.

Source: ESCAP, iBAN, *Landscape Study of Inclusive Business in Malaysia*, 2022

8 Sen, Amartya. *Development as Freedom*. Oxford Paperbacks, 2001.

9 ASEAN. Guidelines for the Promotion of Inclusive Business in ASEAN. asean.org, 2021. <https://asean.org/wp-content/uploads/2021/09/6.-ASEAN-IB-Promotion-Guidelines-Endorsed-at-the-52nd-AEM.pdf>.

10 Peters, Anna, and others. Inclusive Business Policies: How Governments Can Engage Companies in Meeting Development Goals. Endeava, 2013. <https://endeava.org/publication/inclusive-business-policies-how-governments-can-engage-companies-in-meeting-development-goals>.

11 Anderson, Jamie, and Niels Billou. Serving the World's Poor: Innovation at the Base of the Economic Pyramid. *Journal of Business Strategy* vol. 28, No. 2 (6 March 2007): 14–21. <https://doi.org/10.1108/02756660710732611>.



### 1.1.3 Three types of inclusive business

According to the *G20 Inclusive Business Framework*,<sup>12</sup> there are three different approaches to inclusive business: Inclusive Business Models, Inclusive Business Activities and Social Enterprise Initiatives. The ASEAN Inclusive Business Framework<sup>13</sup> focuses on the promotion of the IB Model approach and views to support the other two approaches in the context of scaling them up into IB Models. Governments may define whether the accreditation system is open for inclusive businesses across this spectrum, or may stipulate specific criteria to prioritise or exclude some of them. For instance, the accreditation system may focus on a single approach like inclusive business models only, or embrace all three. The three approaches are outlined below:

**I. Inclusive business models:** Companies with an inclusive business model integrate low-income populations into their core business operations (see box 5). Commercial viability of the business model is at the forefront as they rely primarily on commercial sources of financing for their business operations and intend to realise market returns. This marks a sharp distinction from development approaches that are dependent on direct public funding.

An inclusive business model may refer to the whole company, when the company in its entirety engages and brings value to low-income groups, or it may refer to only one or several business lines of the company.

**II. Inclusive business activities:**

A company may integrate low-income people into its value chain and bring value to them in a manner that is not central to the company's core business, or low-income populations may not make up a significant portion of the base of customers, suppliers or business

partners (see box 6). Notwithstanding, these activities contribute to the overall aims of inclusive business by improving the livelihoods of those involved in the activities. Inclusive business activities are, for example, corporate social responsibility activities. These activities are usually financed by companies' internal resources, often complemented by support from commercial funds, concessional funding or grants.

**III. Social enterprise initiatives** have the mission to improve individuals' and communities' economic and social well-being and institutionalise the pursuit of explicit social objectives. A distinct feature of social enterprises is that they are not structured to maximise their profits for redistribution. Generally, most profits are reinvested back into the enterprise to fulfil and strengthen its social mission. Smaller social enterprises might find it difficult to remain financially viable, and they rely on various external financial resources (see box 7).

Cooperatives may operate as an inclusive business, in any of the above approaches, or be a part of the value chain of a larger inclusive business company.

The Model Framework focuses on inclusive business models and recognises that inclusive business activities and social enterprise initiatives can potentially become inclusive business models. Aligned with this, the Model Framework distinguishes between real inclusive business models and potential inclusive businesses (comprising inclusive business activities, social enterprise initiatives and mainstream businesses seeking to include the BoP in their value chain).

12 G20 Development Working Group. *G20 Inclusive Business Framework*, 2015. <https://www.ifc.org/content/dam/ifc/doc/mgrt/attachment-g-g20-inclusive-business-framework-final.pdf>

13 ASEAN Inclusive Business Framework. 14 August 2017. <https://asean.org/wp-content/uploads/2021/09/ASEAN-Inclusive-Business-Framework.pdf>



Photo: VinaSamex

### Box 5. An inclusive business model from Viet Nam breaks the dependence on middlemen

VinaSamex, an inclusive business established in 2012, works with some of the poorest farmer communities in northern Viet Nam, sourcing spices and herbs while prioritising quality and sustainability. By adhering to international certifications, providing resources and ensuring fair prices, VinaSamex empowers 1,409 households, predominantly women from ethnic minorities. Its inclusive business model integrates farmers into the value chain, offering training, tools and support, breaking the cycle of dependence on middlemen, and elevating communities economically. The company's expansion plans aim to extend its impact, demonstrating that an inclusive business approach can uplift impoverished populations through ethical practices and economic integration.

Source: ESCAP, iBAN, *Landscape Study of Inclusive Business in Viet Nam*, 2021

### Box 6. Empowering micro-entrepreneurs in Southeast Asia

GrabKios is an initiative by Grab that integrates low-income populations into the company's value chain by transforming MSMEs into digital kiosks. This program provides micro-entrepreneurs with the tools and training to offer essential digital services – such as mobile top-ups, bill payments, and e-commerce – to their customers. This initiative boosts the income of micro-entrepreneurs, reduces their operational costs through competitive wholesale inventory, and provides them with access to capital and financial services through partnerships with local organisations. GrabKios agents have become an integral part of their communities, with over 13 million registered partners and GrabKios agents across South East Asia.

Source: Grab, *ESG Report Summary*, 2023.

### **Box 7. A social enterprise in Indonesia enables women to break the cycle of poverty through their craft**

In Indonesia, over 50 per cent of social enterprises receive more than 25 per cent of their income through grants. Unlike traditional or inclusive businesses, social enterprises direct their profits to their cause, which can happen in a range of ways. An illustration of a women-led social enterprise in the creative sector is SukkhaCitta. Established in 2016, it aims to uplift rural women artisans. SukkhaCitta empowers these women by offering direct capacity-building and access to urban markets, enabling them to earn a living through their craft and break the cycle of poverty. SukkhaCitta supports artisans in Java by providing training in batik, business skills, preserving local traditions, and revitalising lost crafts in natural dyeing.

*Source: ESCAP, The State of Social Enterprise in South East Asia, 2022*

## **1.2 Why governments are promoting inclusive businesses**

Inclusive businesses can be a powerful driving force for sustainable development, making a significant contribution to achieving the SDGs.

### **Supporting the growth of businesses**

When policymakers support inclusive businesses, they are helping to create a conducive environment that encourages businesses to invest, expand and innovate. This can lead to increased economic growth and development, as well as the achievement of social and environmental objectives. Furthermore, supporting inclusive businesses can lead to a virtuous cycle where businesses generate profits and reinvest them in further growth and development. This can create a sustainable and self-financing model that can benefit both businesses and society in the long term. Overall, supporting inclusive businesses can be a smart and effective way for policymakers to promote economic and social development.

### **Sharing the cost of development with the private sector**

Along with being sustainable and profitable, inclusive businesses can continually generate revenue. Therefore, by supporting these businesses, policymakers can leverage private-

sector resources and expertise to address developmental challenges. This can free up public resources for other development projects. Additionally, partnering with the private sector can bring innovative solutions and ideas to the table, which can lead to better outcomes and greater efficiency.

### **Promoting sustainable solutions**

Inclusive businesses are built on the principles of sustainability and create social and environmental benefits alongside financial returns. By backing these businesses, policymakers can encourage private-sector investment in solutions that are designed to address social and environmental challenges while generating profits. This approach helps to ensure that solutions are sustainable and independent from external funding, making them more resilient in the long term than not-for-profit solutions. Their impact can extend beyond a single locality and even be replicated in different locations.

### **Achieving the SDGs**

Inclusive businesses can help achieve the SDGs. They can create income opportunities while also enhancing food production and ensuring access to clean water, clean energy, nutritious food and affordable health-care services. Inclusive businesses may embed environmental sustainability in their approaches, which is crucial in resource-intensive sectors such as



energy, housing and water. In addition, by engaging women in the value chain, inclusive businesses create opportunities for income and self-reliance, thus promoting gender equality and contributing to reducing inequality.

### Promoting inclusive business

Because of the poverty context in which they operate, inclusive businesses can find it difficult to be profitable and scale up. Inclusive businesses face constraints at the market level, for instance, in terms of engaging smallholder farmers, accessing financial resources, building the capacities of suppliers and accessing markets.

Governments play a crucial role in creating favourable market conditions that can address various constraints faced by inclusive

businesses. Additionally, governments are responsible for pursuing development goals and promoting the welfare of their citizens. By improving the conditions for inclusive businesses, governments not only advance growth and private-sector development but also contribute directly to development objectives.

ASEAN governments can promote inclusive business with an entire toolbox of relevant policies. For example, in 2020, ASEAN Economic Ministers endorsed the Guidelines for the Promotion of Inclusive Business in ASEAN.<sup>14</sup> These guidelines identify 12 policy instruments to promote inclusive businesses (see box 8). One such instrument is the establishment of an IB accreditation system.

#### Box 8: Policy toolbox to promote inclusive businesses. Guidelines for the Promotion of Inclusive Business in ASEAN

1. Formulating a strategy and an action plan.
2. Institutionalising IB promotion by establishing dedicated IB strategy implementation bodies (a central IB coordinating unit, IB focal points, and an IB steering committee).
3. Establishing an IB accreditation system to recognise IB models and IB registration as an enhanced policy instrument.
4. Raising awareness on inclusive business among business leaders and government agencies.
5. Supporting the provision of inclusive business coaching to companies that wish to become more inclusive.
6. Establishing investment incentives for inclusive businesses, for example, through tax incentives.
7. Reducing impact investment risks to stimulate the adoption and growth of inclusive business models.
8. Promoting inclusive businesses in public procurement processes by encouraging procurement from companies with inclusive business models and social enterprises initiatives.
9. Targeting inclusive businesses in sector programmes including SME development programmes.
10. Linking inclusive businesses with the social enterprise and corporate social responsibility (CSR) agendas.
11. Monitoring and reporting on the impact of inclusive businesses.
12. Creating synergies at the regional level.

Source: Based on the *Guidelines for the Promotion of Inclusive Business in ASEAN*, 2020

<sup>14</sup> ASEAN. *Guidelines for the Promotion of Inclusive Business in ASEAN*. asean.org, 2021. <https://asean.org/wp-content/uploads/2021/09/6.-ASEAN-IB-Promotion-Guidelines-Endorsed-at-the-52nd-AEM.pdf>.

## 1.3 Benefits of an inclusive business accreditation system

This section outlines the benefits of having an accreditation system for inclusive businesses. There are distinct benefits, both for governments and for the companies. Moreover, this section explains why governments in ASEAN may consider establishing a specific IB accreditation system and draws parallels with other certification systems.

### 1.3.1 Why governments establish an IB accreditation system

Establishing an IB accreditation system can integrate low-income communities into the value chain, encouraging businesses to offer solutions that address the pressing needs of these population. The IB accreditation system identifies and showcases existing inclusive businesses.

These businesses can be examples for others to adopt similar solutions. This not only promotes the adoption of IB practices but also attracts new businesses to contribute to public objectives, thereby fostering sustainable economic growth and social inclusion.

IB accreditation enables governments to target support to potential and established inclusive businesses directly. For government agencies to be able to provide such targeted financial (e.g. via tax exemptions, subsidies or preferential procurement) and non-financial (e.g. recognition, awards, priority access to business support services, enhanced facilitation) support, inclusive businesses first need to be defined and identified, which can be achieved with the inclusive business accreditation system. Some examples of financial and non-financial benefits for companies that governments can implement, along with practical examples from Viet Nam and the Philippines, are outlined in box 9.

#### Box 9: Financial and non-financial incentives for accredited and registered inclusive businesses

Governments can offer several benefits to incentivise companies to undergo the accreditation process.

Financial benefits	Non-financial benefits
Tax exemptions	Recognition and visibility
Subsidies	Priority access to business support services
Preferential treatment	Access to firms and impact investors

Several governments are providing financial and non-financial benefits to accredited and registered inclusive businesses. For instance:

**Cambodia:** To provide recognition and visibility to IBs, Cambodia has established an IB accreditation system, and each IB-accredited or potential IB company receives an IB award during an annual event. The first awards were given in 2022. An IB logo has been created but is yet to be implemented. Moreover, the Inclusive Business Enabling Environment for Cambodia (IBeeC) Secretariat, the unit promoting IB within the Ministry of Industry, Science, Technology and Innovation, has partnered with different organisations to provide support services (such as opportunities to pitch, and to receive coaching) to IBs.

**The Philippines:** In 2014, the Philippine Board of Investments made inclusive businesses a part of its Investment Priorities Plan. The 2017 Investment Priorities Plan provided fiscal incentives to inclusive businesses in the agribusiness and tourism sectors. In 2018, the first full year of implementation of these incentives, five projects were approved, with the target

**Box 9 (continued)**

of sourcing USD 55 million worth of goods and services from the BoP. These businesses sought to directly hire more than 185 workers and engage over 1,000 individuals from the marginalised sectors, including at least 300 women. In addition, an Inclusive Business Bill put forward to the Senate seeks to promote inclusive businesses and suggests that they should be entitled to a series of tax incentives and government subsidies for five consecutive years such as: double deduction for labour expense, double deduction for training, additional deduction for goods, and double deduction for research and development. Furthermore, accredited inclusive businesses could receive financial and loan assistance from government banks.

**Viet Nam:** Under Decision 167/QĐ-TTg, the Vietnamese government provides accredited inclusive businesses with several financial and non-financial benefits such as technical support for: (a) business coaching, (b) market access, (c) access to financing, (d) technology access, and (e) the rent and purchase of digital equipment, among others. Companies with high scores receive branding and official recognition as immediate benefits.

*Source:* Eighteenth Congress of the Republic of the Philippines, Inclusive Business Act, 2021; ESCAP and AED, *Manual for Inclusive Business Accreditation in Viet Nam*, 2024; iBAN, *Inclusive Business Policies*, 2018.

### 1.3.2 Benefits for companies

The accreditation process benefits inclusive businesses in multiple ways. They can receive targeted support, learn about inclusive business practices, gain visibility for their brands, and acquire access to impact investors.

**Receive support:** Inclusive business accreditation provides targeted financial and non-financial benefits for accredited firms. Benefiting from tax breaks can create the opportunity to make products even more affordable for the target group. Being a preferred supplier to the government can enable activities to scale up and create reliable jobs and sales opportunities for low-income employees and producers.

**Learning opportunity:** An inclusive business accreditation system provides a learning opportunity for firms to make their approach more inclusive and profitable. The assessment helps businesses identify areas where they already meet the key criteria, and those where they could strengthen their commercial viability or social impact. In addition, experts conducting the inclusive business assessment can provide valuable insights to the companies during the interviews.

**Enhanced visibility:** It is vital to boost the visibility of inclusive businesses to ensure their success. Government and private-sector agencies can play a pivotal role by publicly recognising the contributions of inclusive businesses. Recognition can be in various forms, including awards at national and international levels, such as the ASEAN IB awards. Further, business organisations can contribute by acknowledging and celebrating the successes of inclusive businesses through dedicated business awards.

**Access to impact investors:** The recognition from accreditation can facilitate access to new support venues, such as impact investors. Governments can encourage these connections through forging networking opportunities. Linkages with business development agencies, relevant networks and investors can provide the necessary support and resources for inclusive businesses to thrive. This interconnected ecosystem is instrumental in amplifying the positive impact of IB models and their accreditation.

### 1.3.3 Why a specific IB accreditation system

An IB accreditation system is a government policy tool to promote inclusive business as it links IB accreditation to government incentives.

While there are several certification and standards systems related to social and sustainable practices of businesses (see box 11), these are generally private-sector led. However, IB accreditation systems are a product of a government's targeted policymaking. Many of the current certification and standards systems seek to report on practices, while an IB accreditation system also seeks to measure the impact of the business. Nonetheless, companies who already use one or more of these certifications can use the information from the respective assessments for their inclusive business accreditation process.

It may be noted that the accreditation of inclusive businesses is different from the accreditation of social enterprises. Typically, social enterprises are formally recognised by legislation.

Several ASEAN countries, including Malaysia, Thailand and Viet Nam have established a specific legal definition for social enterprises that establishes specific obligations and benefits for social enterprises. While social enterprises can receive certain benefits (e.g. exemption from corporate income tax, preferential treatment in public procurement, etc.), they are also constrained by such a status (for instance, they have limitations in paying dividends to shareholders, which in turn constraints investors from investing in social enterprises) (see box 10). It may be noted that other ASEAN countries, including Cambodia, Lao PDR, and Myanmar do not have specific definitions or recognition for social enterprises.<sup>15</sup>

Several governments have used inclusive business accreditation and registration to promote inclusive business across Asia and the Pacific (see box 12). Currently, there is no international accreditation or certification system for inclusive businesses.

#### Box 10: Social enterprise accreditation in ASEAN

In **Malaysia**, the Ministry of Entrepreneur and Cooperatives Development (MECD) manages the Social Enterprise Accreditation system to officially recognise social enterprises. There are 3 level of accreditations which are Aspiring Social Enterprise (Aspiring SE), Basic Social Enterprise (SE.B) and Accredited Social Enterprise (SE.Ac). These accredited social enterprises are listed on the SE Portal within the MECD website for greater visibility and to encourage social procurement, and have access to additional funding and support from MECD and other agencies. To be recognised as SE.Ac, the social enterprise must meet the following criteria:

- Be registered with authorities in Malaysia;
- Have a clear mission and target group / beneficiaries;
- 51 per cent or more of the revenue is from business activities or trading; and
- 51 per cent or more of the profit is used towards its purpose of social impact.

In **Singapore**, the formal recognition of social enterprises is managed by the Singapore Centre for Social Enterprise (raiSE), established by the Ministry of Social and Family Development (MSF) in 2015. This recognition is managed via raiSE rather than through legislation. Social enterprises must adhere to the Intentionality, Additionality, and Proportionality (IAP) framework, ensuring intentional impact, additional business workflows for impact, and proportional resource allocation. To be accredited as a social enterprise, companies

<sup>15</sup> ACCMSME survey on the recognition of social enterprises in ASEAN conducted in the context of this study.

**Box 10 (continued)**

must apply for membership with **raiSE** and undergo an evaluation process, and they are categorised into tiers based on their resource allocation and revenue size. The highest tier would be the closest equivalent to an inclusive business. Social enterprises in Singapore benefit from various incentives, including capacity building, strategic coaching, and funding support. Membership in **raiSE** is renewed annually and companies are expected to report their social impact each year.

In **Thailand**, the Social Enterprise Promotion Act B.E. 2562 (2019) establishes a legal definition and a comprehensive accreditation system for social enterprises. Entities must register online with the Office of Social Enterprise Promotion (OSEP), demonstrate a primary social objective, generate at least 50% of the revenue from goods or services, and use no less than 70% of the profits for social purposes, with a cap of 30% on profit distribution to shareholders. Despite not being a separate legal entity, accredited social enterprises receive benefits such as financial assistance from the Social Enterprise Promotion Fund, tax exemptions, and preferential treatment in public procurement. OSEP also mandates strict governance, requiring annual financial reports and audits to ensure compliance with the Act's objectives.

In **Viet Nam**, social enterprises are recognised under the Law on Enterprises 2020 and Decree No. 47/NĐ-CP (April 1, 2021). To qualify, an enterprise must be registered as a business, primarily aim to address social or environmental issues, and reinvest at least 51% of its annual post-tax profits into these objectives. Social enterprises must adhere to specific obligations, such as submitting annual reports on their impact and ensuring that donations are used only for operational and social or environmental purposes. Accredited social enterprises benefit from incentives like tax exemptions and preferential treatment in public procurement. The accreditation process involves evaluation and approval by the Business Registration Office within the provincial Departments of Planning and Investment, ensuring compliance with the national criteria and governance processes.

*Source: ACCMSME survey on the recognition of social enterprises in ASEAN conducted in the context of this study.*

### **Box 11: Business certification systems related to social impact – selected examples**

Business certification systems help to provide transparency for business partners on practices of suppliers. Some, such as fair trade or organic, are also relevant for consumers. The certification systems portrayed below help actors in a business ecosystem to take environmental, social and governance (ESG) considerations into account in business decisions. Nowadays, ESG reporting is also expected of companies by finance providers as a tool to manage risks, and certifications play an important role here. The information generated from the assessment of one or more of these certifications can be used by companies for an inclusive business accreditation.

#### **Fairtrade**

The Fairtrade certification system aims to promote fair trade practices and improve the lives of farmers and workers in Latin America, Africa and Asia, connecting them with consumers and businesses across the world. The Fairtrade system ensures that producers receive fair prices for their products and have access to better working conditions, health care, education and sustainable farming practices. To achieve the Fairtrade certification, businesses throughout the supply chain must meet specific criteria and adhere to strict auditing and certification procedures. The Fairtrade certification overlaps with the proposed inclusive business accreditation system on the social side: sustainable livelihoods, safe working conditions, protection of the environment, and transparent supply chains. It does not relate to the financial viability of a company. Fairtrade is mostly used for products that are exported. The relevance in companies' own home markets can be low. A government-led national accreditation scheme can be more relevant here.

#### **ISO 26000**

ISO 26000 is a voluntary international standard on social responsibility and sustainable development aligned with the SDGs. It provides a framework for businesses and organisations to clarify their social responsibility strategies and translate their principles into effective actions and best practices. ISO 26000 covers seven core subjects: organisational governance, human rights, labour practices, environment, fair operating practices, consumer issues, and community involvement and development. It overlaps with the inclusive business accreditation system with regard to three criteria: safe working conditions, protection of the environment, and positive social impact on the lowest-income groups. As a process standard, it provides orientation for companies on how to set up sustainability and social responsibility practices. It does not consider the actual impact achieved by the activities, which is where the proposed inclusive business accreditation system adds value.

#### **B Corp**

The B Corp certification system evaluates a business's social and environmental performance, accountability and transparency. B Corps are for-profit businesses that are committed to meeting rigorous standards of social and environmental performance, public transparency and legal accountability to balance profit and purpose. To achieve B Corp certification, a business must score a minimum of 80 out of 200 points on the B Impact Assessment, which evaluates the company's impact across five categories: governance, workers, community, environment and customers. It covers all aspects of the inclusive business accreditation system. Governments, however, may prefer to establish their own accreditation system rather than depending on a private-sector initiative. However, in theory, a certified B Corp is an inclusive business.



**Box 11 (continued)****Environmental standards**

Environmental standards evaluate an organisation's environmental performance through their management practices and compliance with existing laws and regulations. There are two broad categories of environmental standards – compulsory and voluntary. Compulsory environmental standards are usually legal requirements imposed by governments or regulatory bodies that organisations must adhere to. They are mandatory and cover aspects such as emissions limits, waste disposal regulations, and other environmental laws. Voluntary environmental standards, on the other hand, are guidelines and best practices that organisations can choose to adopt. Many different standards and related certification processes exist; for example, in the domains of agriculture (e.g. Rainforest Alliance, UTZ, organic standards), fisheries (Marine Stewardship Council), forestry (Forest Stewardship Council) or textiles (Oeko-Tex, Global Organic Textile Standard). The certifications provide organisations with a recognised mark of excellence in environmental management. These can also be acknowledged in an inclusive business accreditation scheme. However, in contrast to the inclusive business accreditation system which focuses on several aspects such as strategic intent, commercial viability, social impact (which includes environmental impact) and innovation; environmental standards only focus on the environmental performance of an organisation and not on its social performance.

*Source:* Fairtrade International, How Fairtrade Works, n.d.; ISO, ISO 26000 — Social Responsibility, 2021; B Corp, About Our Standards, bcorporation.net, n.d.

**Box 12: Inclusive business accreditation and registration systems across Asia and the Pacific**

In 2014, the **Philippine** Board of Investments made inclusive businesses a part of its Investment Priorities Plan. The Philippines set up a registration system for inclusive business. The 2017–2019 Investment Priorities Plan provided fiscal incentives to inclusive businesses in agribusiness and tourism.

In the **People's Republic of China**, inclusive business accreditation was officially used by the poverty reduction office of Shanxi Province in 2016 to prioritise 12 inclusive businesses and target incentives to such inclusive business-accredited agrobusiness firms.

In **Cambodia**, inclusive business accreditation was officially introduced as part of the Inclusive Business Enabling Environment for Cambodia (IBeeC) strategy, and in 2021, an inclusive business accreditation committee accredited 20 companies. In 2023, the government committed to accredit another 16 inclusive businesses.

In **Viet Nam**, an inclusive business accreditation, promoted under Decision 167/QĐ-TTg, was designed in 2023 and piloted in 2024. In 2024, five companies were recognised as having an inclusive business model and four companies as having a potential inclusive business model.

*Source:* Eighteenth Congress of the Republic of the Philippines, Inclusive Business Act, Senate of the Philippines, 2021; ESCAP and AED, *Manual for Inclusive Business Accreditation in Viet Nam*, 2024; ASEAN, Fifth ASEAN Inclusive Business Summit Concludes, asean.org, 2022



## **2.**

# IB Assessment Criteria and Rating Methodology



This section presents the core assessment framework, including the accreditation criteria dimensions, assigning significance through criteria weights, the scoring methodology, and how to rank the businesses.

The following terms are used in this report for clarity and consistency purposes:

- “Company” refers exclusively to the parent company. Several criteria should be applied for the entire company (namely, 0. Strategic intent; 1.1 Commercial viability of the company; 1.3 Good governance; 1.4 Environmental and social safeguard standards).
- “Business” refers to the applicant business. Most criteria rate the applicant business itself (namely, 1.2 Commercial viability of the inclusive business line; 2. Social impact; and 3. Innovation).
- “Inclusive business” is reserved for accredited businesses.

## 2.1 Accreditation criteria dimensions

**There are four dimensions** to assess whether a business qualifies as inclusive:

1. The company needs to have a **strategic intent** for a commercially viable business that creates scalable, innovative and systemic solutions to relevant challenges of low-income populations.
2. The inclusive business must be **commercially viable**. Commercial viability can be assessed against criteria such as revenue and growth, profitability, bankability, ability to access finance, addressing business risks, and adherence to social and environmental safeguard standards, as well as good corporate governance practices. Commercial viability ensures that businesses are sustainable, and can potentially achieve scale, resulting in a more significant impact on low-income populations. Additionally, commercial viability extends beyond profitability and includes the ability to access financial resources (such as loans and investments), which are vital to seize growth opportunities that enable the company to maintain and expand its positive social impact.
3. The inclusive business must create **social impact** in terms of reach, depth and systemic transformation for low-income populations. Social impact can be assessed against criteria such as reaching people and targeting them; the depth of impact in terms of income increase or affordability and access to goods and services; and the systemic impact in terms of geography, sector and gender equality. In the context of inclusive business, impact extends beyond risk management and simply sourcing from low-income populations, to bring them tangible value that positively transforms their lives by improving access to essential goods and services and economic opportunities.
4. The inclusive business must be **innovative** in terms of solutions for low-income populations and managing associated risks. This can be achieved through business, technology, social and environmental innovations. The significance of innovation lies in its ability to enable inclusive businesses to remain relevant, sustain impact and ensure commercial viability. Constant innovation is essential in addressing challenges, staying ahead of the curve, and creating novel solutions that meet the changing needs of low-income populations while enhancing the long-term viability of the business.

## 2.2 Criteria and weights

Companies are assessed against a range of criteria along the four dimensions outlined in section 2.1 – strategic intent, commercial viability, social impact and innovation. Different weights are assigned to the individual criterion. Table 1 presents the criteria and the weights.

### National and sector benchmarks

Several indicators rely on benchmarks that have to be adjusted based on existing country benchmarks and definitions. For example, the indicator of a company's size must be assessed against national and sector-specific benchmarks as the classification of a company

as small, medium-sized or large depends on country and sector benchmarks. These customisations can be made by adopting national benchmarks during the preparatory step of setting up the accreditation system (see section 3.2). Such indicators are marked with a single asterisk (\*).

### Exclusion criteria

It is important to note that there are certain criteria such as payment of corporate tax and adherence to labour standards where if the business is not found to be compliant, it cannot be considered for accreditation. Such criteria are marked with a double asterisk (\*\*) in table 1, and in table 6.

**Table 1: Inclusive business assessment criteria and weights**

Number	Criteria	Score
<b>0</b>	<b>Strategic intent</b>	<b>9</b>
<b>0.1</b>	<b>Declaration of strategic intent</b>	<b>4.5</b>
<b>0.2</b>	<b>Measuring and managing impact</b>	<b>4.5</b>
<b>1</b>	<b>Commercial viability</b>	<b>40</b>
<b>1.1</b>	<b>The company</b>	<b>10</b>
1.1.1	Size (*)	4
1.1.2	Profitability	3
1.1.3	Bankability	3
<b>1.2</b>	<b>The IB model</b>	<b>20</b>
1.2.1	Revenue (today) (*)	4
1.2.2	Growth (3 years)	6
1.2.3	Managing risks	5
1.2.4	IB Profitability	5
<b>1.3</b>	<b>Good governance</b>	<b>5</b>
1.3.1	Transparency (*)	1
1.3.2	Management structure	1
1.3.3	Management practices	1
1.3.4	Distribution of benefits	1
1.3.5	Payment of corporate tax (**)	1
<b>1.4</b>	<b>Environmental and social safeguard standards</b>	<b>5</b>
1.4.1	Adherence to labour standards (*) (**)	2
1.4.2	Other social standards (*)	1
1.4.3	Adherence to environmental standards (*) (**)	2

Number	Criteria	Score
<b>2</b>	<b>Social impact</b>	<b>42</b>
<b>2.1</b>	<b>Social impact reach</b>	<b>13</b>
2.1.1	Engagement of low-income people: type and number (*)	6
2.1.2	Targeting groups (*)	7
<b>2.2</b>	<b>Social impact depth (*)</b>	<b>16</b>
<b>2.2.1</b>	<b>For income model</b>	<b>16*X%</b>
2.2.1.1	<i>Income increase (before and after)</i>	4*X%
2.2.1.2	<i>Income earning (compared to the market rate)</i>	2.5*X%
2.2.1.3	<i>Income earning (compared to the competitor)</i>	5.5*X%
2.2.1.4	<i>Sustainability, addressing risks</i>	4*X%
<b>2.2.2</b>	<b>For product and service model</b>	<b>16*Y%</b>
2.2.2.1	<i>Relevance of product/service for low-income people</i>	6*Y%
2.2.2.2	<i>Affordability of the product/service</i>	5*Y%
2.2.2.3	<i>Delivery mode</i>	2*Y%
2.2.2.4	<i>Sustainability, addressing risks</i>	3*Y%
<b>2.3</b>	<b>Contribution to systemic change for poverty reduction and inclusion</b>	<b>13</b>
2.3.1	Sector impact	3
2.3.2	Geographical impact	3
2.3.3	Gender impact	3
2.3.4	Relevance and transformation on poverty reduction	4
<b>3</b>	<b>Innovation</b>	<b>9</b>
<b>3.1</b>	<b>Business innovations</b>	<b>2</b>
<b>3.2</b>	<b>Technological innovations</b>	<b>2</b>
<b>3.3</b>	<b>Social innovations</b>	<b>2</b>
<b>3.4</b>	<b>Environmental innovations</b>	<b>3</b>
	<b>Total score</b>	<b>100</b>

Notes:

(\*) Indicators that rely on benchmarks that have to be adjusted on the basis of existing country benchmarks and definitions.

(\*\*) Exclusion criteria: used to identify companies that should not be eligible for grade rating and IB accreditation.

## 2.3 Scoring methodology

### Scoring

Close-ended survey questions and a 100-point scale will be used for the IB assessment and scoring. A close-ended questionnaire enables the business to respond to the survey more rapidly, increases response rates, and allows for the gathering of quantitative data and easy-to-analyse responses.

For each criterion, the business will need to answer several close-ended questions.

With each answer, the business will receive points reflecting a qualification of not eligible, low, medium or high impact for the criterion. The benchmarks for low, medium and high impact are presented in tables 5–8. The assignment of points based on clearly defined benchmarks ensures that the final rating is fair and comparable.

The total score is the sum of the points for all the questions. The maximum score is 100.

### Weighted criteria for different impact models

Inclusive businesses take different avenues to impact: some focus on generating income, some on increasing access to goods and services, while others do both. For this reason, the rating of the impact depth of the business is tailored to each of these models. Businesses can score up to 16 points in this section. This score can be from one impact model only or from a combination of impact models.

1. For IB lines totally based on an income model: the maximum score for social impact depth is 16 points.
2. For IB lines totally based on a product and service model: the maximum score for social impact depth is 16 points.
3. For IB lines based on both models (income model, and product and service model): the relative impact contribution of the income model and the production and service model will be weighted first (X% contributed by income model, and Y% contributed by product and service model; and  $X+Y=100$ ). Noting that the maximum score for social impact depth is 16 points, then the maximum score of the relative impact contribution of the income model will be  $16 \times X\%$ , and the maximum score of relative impact contribution of the product and service model will be equal to  $16 \times Y\%$ . For instance, a business line where 40% is income model and 60% is product and service model, the maximum score of the relative impact contribution of the income model will be  $16 \times 60\%$  points and the maximum score of the relative impact contribution of the product and service model will be  $16 \times 40\%$  points.

The same method will be used for the scores of the detailed sub-criteria of criterion 2.2 – social impact depth.

## 2.4 Rating the businesses

The scoring of the business will be done by the IB accreditation agency (or an IB support organisation trained and recognised by the IB accreditation agency). The company will carry out a self-assessment first, which will then be reviewed and complemented by interviews conducted by an approved IB support organisation.

According to the points that they gather, companies will be ranked in one of the following categories:

### Grade A

**Inclusive business model:** Businesses with an overall rating achievement above 80 points. These are inclusive business models. These inclusive businesses will benefit from the full selection of incentives put forth by the government, and are eligible to receive public recognition by the accrediting agency.

### Grade B

**Potential inclusive business model:** Businesses with an overall rating achievement of 50–80 points. These are potential inclusive businesses. These businesses will not be accredited but may be recognised as businesses with the potential to develop into an inclusive business. While they may not be suitable for public recognition by the accrediting body at the time of the assessments, they may benefit from a range of relevant government incentives to support the business in developing further, such as IB coaching services.

### Grade C

Companies that received less than 50 points. These businesses will need substantive improvements to become an inclusive business and have, at the time of the assessment, no potential to develop an inclusive business model.

## 2.5 Defining the criteria

This section provides a concise definition of the criteria. It explains the rationale behind each criterion, its corresponding indicators and the possible answers companies may provide.

### 0. Strategic intent

Does the company seek to collaborate with and support low-income communities in an intentional and purposeful manner? When a company pursues social objectives in a deliberate way, the intention guides its strategic decisions (for instance, in terms of the products it offers and their design). This approach leads to the company introducing specific measures to expand its reach and impact. For the company to determine the impact and to manage its activities accordingly, a measurement and management approach is required.

#### 0.1 Declaration of strategic intent

A declaration of strategic intent to be an inclusive business can be identified when the business deliberately seeks to create direct social impact or shared value with low-income people and marginalised groups. In such cases, such an intent would be either stated by senior management or be declared in the company's mission, vision or objectives.

#### 0.2 Measuring and managing impact

Companies with a strategic intent to reach and benefit low-income populations need a system to measure and manage their impact in this area. Such a system usually includes a set of targets and indicators that are clearly defined and regularly assessed by gathering empirical data. This measurement approach is complemented by a systematic process to analyse the data, draw conclusions, and adapt company activities to continuously expand the reach and depth of the inclusive business.

During the accreditation assessment, companies will have to show whether they intend to develop such a system, have some basic measurements of their impact or have an operational system to measure and manage impact.



Photo: Cory Wright, UNEP

### 1. Commercial viability

Understanding the commercial viability of the inclusive business is important to assess its ability for growth and for scaling its impact. The accreditation considers the commercial viability, including profitability and bankability, of both the company as a whole and of the specific inclusive business line. In summary, both the company and the inclusive business line(s) need to be commercially and financially viable to be able to create a sustainable social impact.

#### 1.1 Commercial viability of the company

For the inclusive business to be viable and have an impact, both the overall company and the specific inclusive business line(s) need to be making revenues and profits and be able to receive financing from banks. The underlying assumption is that healthy and larger companies have a greater potential for impact than small, struggling ones.

##### 1.1.1 Size

A good indicator for the size of the company is its net revenue of the previous year. It is better to determine the size of the company via its net revenue rather than via its staff numbers, as staff numbers can vary greatly across the different sectors (e.g. agriculture is more labour intensive than the fintech industry).

This indicator contains benchmarks that can be adjusted in accordance with national benchmarks by the working group which sets up the accreditation system.



### 1.1.2 Profitability

The profitability of a company measures its commercial success. Profitability can be measured relatively by reviewing the gross profit of the company as a percentage of revenues in the last year (i.e. the profit margin). Larger percentages indicate higher profitability. It is advisable to request data for the gross profit in per cent of net revenue for the last year.

### 1.1.3 Bankability

The term “bankable” describes a company that possesses adequate profits, assets and liquidity, enabling it to qualify for a loan from a bank. This information indicates to what extent a company may be able to invest in the expansion of the inclusive business. Positive indicators for bankability include, among others, whether a company can access loans from a bank. For example, some companies might have outstanding loans, or are able to pay their loans on time, can absorb large financing or can access impact investments.

## 1.2 Commercial viability of the inclusive business model

This section assesses the revenue and growth of the IB model. It also checks how the business addresses risks.

### 1.2.1 Revenue (today)

The revenue of a business can be determined by looking at its revenue or net sales from the last year. It is the amount of money the business receives for the goods and services it sells.

Revenues can be qualified as low, medium or high. For that purpose, clear benchmarks should be established based on the national context.

### 1.2.2 Growth (over the last 3 years)

For a business, growth essentially entails expanding its operations, increasing its market presence, and ultimately enhancing profits and impact. Growth is measured by the development of revenues over the last three years. Positive average growth over this period indicates that the business has identified a viable model and is on an expansion pathway.

Growth can be qualified as low, medium or high. The suggested benchmarks are <10% (growth is negligible), 10–20% (low), 20–50% (medium), and >50% (high).

### 1.2.3 Managing risks

The low-income market is often a riskier market environment than other segments, and risk mitigation measures may not be as readily available. This is why it is important for inclusive businesses to identify and address potential risks.

#### 1.2.3.1 Understanding risks

Businesses demonstrate their understanding of business risks and the risks associated with engaging low-income people by providing their assessment of these two types of risks.

#### 1.2.3.2 Addressing risks

Businesses can demonstrate the solutions they have implemented to address the risks they face and whether those solutions have increased the costs for them and/or the low-income people the business is working with.

### 1.2.4 IB Profitability

The profitability of a business is measured in a similar manner to that of the company, by looking at the profit margin over the last year.

This indicator contains benchmarks that can be adjusted in accordance to national benchmarks by the working group which sets up the accreditation system.

## 1.3 Good governance

Inclusive businesses need to comply with good practices of transparent management with a focus on creating social impact.

### 1.3.1 Transparency – Publishing online report on social impact

Transparency is essential for good governance in an inclusive business, and this includes making records and processes transparent and available to shareholders and stakeholders. By providing comprehensive and accurate information, businesses can build trust with stakeholders, prevent corruption and unethical practices, and enable stakeholders to hold

businesses accountable. Financial records should represent reality, and reporting should be presented in ways that are easy to understand and interpret. Additionally, inclusive businesses should provide sufficient information in their reports so that readers have an overview of the issues and understand who to contact for further explanation if needed.<sup>16</sup>

Businesses can demonstrate their efforts in being transparent by publishing a social impact report or dedicating a section in their annual report to social impact. The working group responsible for establishing the accreditation system can decide whether it is sufficient for the reports to be published in one language or two (the local language[s] or English) for the business to be awarded full points. The decision will depend on the national context and the indicators being used.

Inclusive businesses may also publish their social impact information on their website and other official channels of communication such as official social media profiles of the business.

### **1.3.2 Management structure**

The management structure of an inclusive business should be designed to facilitate collaboration and ensure that all stakeholders have a voice in decision-making. Good governance is participatory and requires equity and diversity within boards and organisations. To demonstrate how the company is currently collaborating with stakeholders or is planning to facilitate collaboration and ensure their involvement in decision-making, businesses can be asked whether their board of directors comprises at least 40 per cent women or other marginalised groups.

### **1.3.3 Management practices**

Management practices in an inclusive business should be guided by principles of social responsibility, including respect for human rights, environmental sustainability and fair labour practices. This can be demonstrated by implementing a code of conduct at the company level that sets standards for ethical behaviour.

### **1.3.4 Distribution of benefits**

Companies might also incorporate a good governance practice of having a policy of equitable distribution of benefits in the value chain. This can include not only shareholders but also employees, customers, suppliers, local communities and other relevant groups. The goal would be to ensure that the company's decisions and actions take into account the interests and perspectives of these stakeholders.

### **1.3.5 Payment of corporate tax**

Payment of corporate tax in accordance with the law is a critical element of good governance in an inclusive business. Without it, a company cannot be considered for accreditation. This can be demonstrated with statements issued by the tax authorities.

## **1.4 Environmental and social safeguard standards (do no harm)**

Inclusive businesses ensure that they are not engaging in practices that are harmful to the environment or to people. If the company is not adhering to criteria 1.4.1 (adherence to the five labour standards), and 1.4.3 (adherence to environmental standards), it cannot be considered for accreditation at all, and it would have to drop out from the accreditation process.

All indicators in this section indicate that the working group responsible for the set-up of the accreditation system can adjust according to national policy priorities and to the country's legislation.

### **1.4.1 Adherence to labour standards**

The International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, which was adopted in 1998, represents a collective commitment by governments, employers' organisations and workers' organisations to uphold fundamental human values. There are five labour standards in the declaration:

1. Freedom of association and the effective recognition of the right to collective bargaining.

<sup>16</sup> Donahue, Jessica. Good Governance: 9 Principles to Set Your Organization up for Success. *Diligent*, 2022. <https://www.diligent.com/en-gb/insights/corporate-governance/what-constitutes-good-governance/>

2. The elimination of all forms of forced or compulsory labour.
3. The effective abolition of child labour.
4. The elimination of discrimination in respect of employment and occupation.
5. A safe and healthy working environment.

The company would have to sign a declaration that it fully complies with the five labour standards outlined in the ILO Declaration on Fundamental Principles and Rights at Work. Should a company be found to be non-compliant with any of these labour standards, it cannot be considered for accreditation. The IB steering committee can decide to replace these with other labour standards that it considers to be more contributory to relevant policy priorities.

For example, in Viet Nam, the IB Accreditation System uses the following five criteria<sup>17</sup>:

1. **Employee benefits:** The company provides benefits for full-time employees such as written employment contract, insurance, health care, severance allowance and unemployment assistance in accordance with the law.
2. **Working hours and rest periods:** The company fully complies with labour law working hours including rest periods, overtime pay, night shift and working on public holidays, and days off for employees.
3. **Equal pay:** The company fully complies with labour law. Employers must ensure equal pay for work of equal value without discrimination based on gender.
4. **Female employees and gender equality:** The company fully complies with labour laws related to the rights of female workers and has measures to ensure gender equality.
5. **Minor employees:** The company fully complies with state labour law, and employees aged 15–18 years of age do light work.

## **1.4.2 Other social standards**

Below is a list of suggested social standards that can be assessed in addition to labour standards. In cases where governments have outlined other social standards for companies, those can be used instead or added and assessed here to encourage adherence to them via the accreditation process.

### **1.4.2.1 Training and promotion for employees**

Companies can be asked whether they run programmes and conduct activities to improve the professional qualifications of employees and low-income people participating in the value chain. This would not only contribute to the overall skill development and empowerment of marginalised groups but would also align with the objectives of inclusive growth, fostering social and economic inclusivity within the business ecosystem.

### **1.4.2.2 Engaging with local communities**

This criterion explores whether the company is organising activities that engage with, or otherwise positively impact, the local community. Involving local communities fosters good relationships and contributes positively to the social fabric and well-being of the communities in which the company operates.

### **1.4.2.3 Key performance indicators to measure supplier selection**

A company might also have social norms for suppliers and apply these criteria in the supplier/supply chain selection process. This helps promote ethical sourcing and fosters fair and responsible business practices throughout the supply chain, contributing to the broader goals of social sustainability and inclusivity.

### **1.4.2.4 Customer health and safety**

A company might have a process to conduct evaluations to ensure that products and services are safe for customers. This highlights the company's commitment to consumer well-being, and alignment with ethical and responsible business practices.

<sup>17</sup> ESCAP and AED. *Manual for Inclusive Business Accreditation in Viet Nam*, 2024.



### 1.4.3 Adherence to environmental standards

Accredited inclusive businesses should do no harm to the environment in which they operate, and ideally have mechanisms in place that help to regenerate the environment. Below is a list of suggested indicators that can be used to track adherence to environmental standards. These can be adapted to the national context.

#### 1.4.3.1a Environmental safeguard policies

The company applies environmental safeguard policies, activities and behaviours to avoid and/or to mitigate adverse environmental impacts. Ideally, the company has a monitoring report on these environmental safeguards.

#### 1.4.3.1b Environmental law violation

If a company has been determined to have violated environmental law or has borne administrative sanctions for environmental violation in the last 24 months, then it is not eligible to be considered for accreditation as an inclusive business.

#### 1.4.3.2 Energy

The company reports on energy consumption and solutions for saving energy. The report demonstrates a commitment to environmental sustainability and alignment with responsible business practices.

**Table 2: Benchmarks for the poor and low-income groups in ASEAN**

Country	Low-income – bottom 40% Mean consumption or income per capita USD a day (2017 PPP)
Indonesia	3.56
Lao PDR	2.90
Malaysia	12.95
The Philippines	3.73
Thailand	7.70
Viet Nam	6.82

Source: World Bank, Poverty and Inequality Platform, <https://pip.worldbank.org/home>

## 2. Social impact

Following commercial viability, the second most important feature of an inclusive business is that it creates a positive impact for low-income and marginalised populations.

The social impact dimension is assessed using three sets of criteria: social impact reach, social impact depth, and systemic change for poverty reduction and inclusion.

- Assessing social impact (reach and depth) focuses on how the business impacts low-income people.
- Assessing systemic change focuses on how the business addresses poverty and exclusion by creating impact at the sectoral and geographical levels and supporting gender and transformation for poverty reduction.

The assessment of social impact measures the impact of the business on three groups of low-income people: people living in poverty; low-income groups; and women and other marginalised groups.

- **People living in poverty** include those living under the national or international poverty line. The current international poverty line established by the World Bank is USD 2.15 a day (at 2017 purchasing power parity [PPP]). For lower-middle and upper-middle income countries, the reference poverty line is USD 3.65 and USD 6.85 a day (at 2017 PPP) respectively (see table 2). The IB accreditation system should establish the benchmark for people living in poverty. It is suggested to use either the international or the national poverty line.
- **Low-income groups** include a broader group of individuals and households at the BoP – typically the poorest 40 per cent of people in a country. This category includes people living in poverty as well as income groups above the national/international poverty level but with low incomes. These groups usually have to devote a large portion of their income

to necessities. They are often excluded from economic opportunities. Table 2 provides the mean consumption or income per capita (in USD a day at 2017 PPP) of the poorest 40 per cent of people for countries where data is available. The IB accreditation system should establish the benchmark for low-income groups. It is suggested to use the mean consumption or income per capita of the poorest 40 per cent of the population.

- **Women and other marginalised groups**  
Inclusive businesses can also target specific groups, such as indigenous people, ethnic minorities, migrants, low-income women, persons with disabilities, etc. The IB accreditation system can prioritise accreditation for businesses that serve specific marginalised groups whose development is relevant to the national context.

## **2.1 Social impact reach**

“Social impact reach” refers to the extent to which a business model or initiative effectively targets and engages different groups of low-income individuals and marginalised communities and provides them with relevant goods, services and opportunities.

### **2.1.1 Engagement of low-income people: type and number**

#### **2.1.1.1 Type of engagement of low-income people**

This indicator explores what the role of low-income people involved in the business is – that is, whether they are involved as workers, suppliers, distributors, consumers or shareholders. This can be used to validate the inclusivity of the business model, emphasizing equitable participation and economic empowerment of the low-income groups they serve.

#### **2.1.1.2 Number of low-income individuals engaged**

Another indicator is the number of low-income people reached by the inclusive business. In agriculture, for example, this could be the number of smallholder farmers engaged. In a business providing goods or services, it would be the number of low-income customers, clients and users, and possibly distributors, who have been

engaged. Inclusive businesses should measure their reach with their impact measurement system. They may track the number of low-income suppliers in their procurement data, and the number of low-income customers in a sales database.

The benchmarks for this indicator can be aligned with national benchmarks to reflect what is considered a small, small-medium, medium, medium-high and high number of low-income people engaged.

### **2.1.2 Targeting of groups**

Targeting groups refers to the deliberate and strategic focus on specific segments of the population, typically those in the lower income brackets, who are often marginalised or excluded from traditional markets. Targeting involves identifying and tailoring products, services and business models to meet the needs and preferences of these specific groups.

#### **2.1.2.1 Targeting of poor people**

This indicator explores if the business engages people living in poverty – that is, people below the international or national poverty line. This requires establishing a benchmark for defining the income level of poor people. Ideally, the accreditation system should be harmonised with national or international definitions of the poverty line (see table 2).

#### **2.1.2.2 Targeting of low-income people**

This indicator explores if the business engages low-income people living in poverty – that is, the poorest 40 per cent of people in the country. This requires establishing a benchmark for defining the income level of low-income people. The accreditation system could use the mean consumption or income per capita of the bottom 40 per cent as a benchmark, as established by the World Bank (see table 2), or other national measures of the poorest 40 per cent of the national population.

#### **2.1.2.3 Targeting of women**

An inclusive business might engage women as employees, suppliers, consumers, etc. This indicator explores to what extent the business is successful in serving the needs of women in the target population.

#### **2.1.2.4 Targeting of low-income women**

If an inclusive business specifically targets low-income women, this indicator assesses the level of involvement of the business with this group. The same benchmark as defined for 2.1.2.2 will be used here (see table 2).

#### **2.1.2.5 Targeting of other marginalised groups**

An inclusive business may target other marginalised groups, and this indicator evaluates the extent to which the business engages these groups. The specific marginalised groups that are of relevance in the national context must be identified (see section 3.2.3, chapter 3) and used here.

## **2.2 Social impact depth**

Inclusive businesses generally create impact in two ways. First, they can generate incomes where low-income people are involved as suppliers, distributors or retailers. Second, they can serve low-income people as consumers or customers, providing products or services which are relevant and affordable for low-income populations. Many inclusive businesses pursue mainly one route to impact.

### **2.2.1 For income model**

This set of criteria answers the question of how much more people are earning because of the inclusive business that is being assessed. To understand this change, it is useful to have data from before the engagement (a “baseline”) or comparable data from other communities where the inclusive business is not active.

#### **2.2.1.1 Increased income (before and after)**

The business provides data on the percentage of income increase achieved by low-income people compared to the first year of joining the inclusive business..

#### **2.2.1.2 Increased income (compared to market rate)**

The business provides data on the percentage of income increase achieved by low-income people compared to the market rate

#### **2.2.1.3 Increased income (compared to the competitor)**

The business shows the number of solutions introduced for low-income suppliers/distributors/labourers which cannot be applied or replicated

by competitors. Such solutions may include one or several of the following:

- Increased productivity and wage/pay due to higher productivity
- Reduced costs for the beneficiary low-income groups by, for example, providing storage and transport solutions or more affordable inputs
- Improved quality of working environment and better pay
- Equitable distribution of income with low-income people by inviting them to join as shareholders or helping them become income-secure by holding Fairtrade certification

#### **2.2.1.4 Sustainability, address risks**

The business can demonstrate whether they have introduced solutions to address risks and improve the sustainability of the business partnership with low-income people – suppliers/ distributors/ labourers.

### **2.2.2 For product and service model**

In the product and service model, one first needs to understand whether the product or service is beneficial to customers and addresses the “4As” of accessibility, affordability, acceptance and awareness. To understand this, the category has four indicators listed below.

#### **2.2.2.1 Relevance of product/service for low-income people**

Assessing if the product/service is relevant to the needs of low-income individuals while addressing accessibility, affordability, acceptance and awareness.

##### 2.2.2.1a Relevant design

First, a business can demonstrate whether the product or service is specifically designed to be relevant for low-income people, and to what extent that has been achieved. The business might still be researching how to make it relevant, or the product or service is somewhat relevant but could be adapted better to meet the needs of low-income people, or the product/services are strongly beneficial to this target group.

### ***2.2.2.1b Product/service demand***

Furthermore, the business should demonstrate that the product or service they offer aligns with relevant demands of low-income people. To assess this, an inclusive business can be asked whether they are still attracting new customers, retaining customers or meeting sales goals.

### **2.2.2.2 Affordability of the product/service**

The business can illustrate the affordability of their product/service for low-income people by employing strategies such as a reduced sale price, clear pricing communication which shows a lower price than its competitors, or other means of making the product affordable.

### **2.2.2.3 Delivery mode**

The business can evince the ways in which it reaches the low-income customer. For example, this can include means used to rapidly reach them with a minimal delivery cost, a partnership with distributors that are able to reach the target customers, or the leverage of technology to reach customers.

### **2.2.2.4 Sustainability, addressing risks**

The inclusive business can demonstrate that it has established solutions to reduce risks for the low-income segments it is serving. Solutions can be in many forms such as having a distributor contract with risk-sharing/benefit-sharing terms, insurance services, technology solutions, or combining services with government support programmes.

## **2.3 Contribution to systemic change for poverty reduction and inclusion**

Systemic change goes beyond individual interventions and aims to bring about structural changes that lead to sustainable poverty reduction and increased inclusion of marginalised populations. Inclusive businesses can have a systemic impact on several levels which are listed below.

### **2.3.1 Sector impact**

Is the inclusive business driving positive change and transformation within its sector? For example, inclusive businesses can set and advocate for new standards in a sector, help others in replicating and

scaling up similar models, facilitate collaboration around shared goals, and help to create shared infrastructure to achieve objectives (for example, by supporting research and training, or financing solutions).<sup>18</sup>

Inclusive businesses can have a significant impact on their sector by providing a guiding example of a model that is scalable, and that can be replicated by others in their sector or other sectors.

### **2.3.2 Geographical impact**

Is the inclusive business able to significantly improve the lives of low-income groups in a specific geography? In landscape-based approaches, for example, multiple organisations may collaborate for a shared objective, such as an increase in regenerative agriculture or a greater focus on conservation. Inclusive businesses may also create infrastructure in a geography that further enables other solutions; for example, enabling payments or access to energy in a certain locality. This infrastructure could also consist of social structures, such as self-help groups, that can serve as the basis for other solutions that improve the lives of community members.

This indicator would reflect the firm's ability to create impact at scale in a specific geography. For example, by the relative scale of its business; its ability to partner with other stakeholders to deliver joint products/services/income opportunities. It could also indicate the firm's ability to build on its partnerships with other stakeholders to invest in physical infrastructure, or its capacity to build social structures.

### **2.3.3 Gender**

Does the inclusive business promote systemic change for women's economic empowerment? Women are often structurally disadvantaged when accessing the market; for example, they lack access to financial resources and services, or the existence of cultural norms prevents them from being active and visible. This indicator evaluates the extent to which the business is advancing gender equality and women's empowerment, as well as addressing the unique needs and challenges faced by women in the sector in which the business operates. For example, the inclusive business can be evaluated on the extent to which

<sup>18</sup> Tewes-Gradi, Christina, and Beth Jenkins. Tackling Barriers to Change: From Inclusive Business Models to Inclusive Business Ecosystems. Harvard Kennedy School, 2011.



it offers specific programmes, products, services or activities to improve women's capacities, to substantially improve their lives or to engage them as employees, suppliers or distributors.

#### **2.3.4 Impact on poverty reduction**

Does the inclusive business create a model for poverty reduction that can also enable other stakeholders to scale up or replicate the model? This indicator assesses the overall relevance and transformative potential of inclusive businesses in reducing poverty and promoting social inclusion. This can mean, for example, creating IB models that the local community can scale up and self-operate, that can be replicated and scaled up by the government, or that mobilise other partners to scale up and expand.

### **3. Innovation**

Inclusive businesses typically need to innovate to survive and thrive in the low-income context. These innovations are valued positively in the accreditation for two reasons: first, they prove the business's ability to innovate and hence deal with challenges, which is a prerequisite for continued success; second, innovations can be replicated by other businesses, thus enabling more inclusive practices beyond the business itself. Apart from business and technological innovations, inclusive businesses often also apply social and environmental innovations.

#### **3.1 Business innovations**

Business innovations may involve new business models, processes, strategies and approaches. By establishing such innovative business practices, inclusive businesses can mitigate risks and create value propositions that directly benefit the poor.

##### **3.1.1 Innovation in business process**

The business can show which changes in processes it has undertaken or plans to undertake to benefit low-income people and/or to improve economic performance.

##### **3.1.2 Innovation in business model, or product and/or service**

The business can illustrate which innovations in its business model, products and services it has introduced or plans to introduce to benefit low-income people or improve the economic performance of the firm.

#### **3.2 Technological innovations**

Technological innovations involve the application of advanced technologies, engineering solutions and product design to enhance efficiency, affordability and accessibility for the target population. Technological innovations can include the development of energy-efficient and affordable products, mobile payment systems, digital platforms and other technological advancements that facilitate inclusive business operations and expand their reach.

##### **3.2.1 Technological innovation for improved economic performance**

The inclusive business can show which technological innovations it has introduced or plans to introduce to improve commercial viability. This includes technological innovations that help the business to improve quality and/or reduce the cost of products and services for low-income customers, as well as increase market share and/or enter new markets.

##### **3.2.2 Technological innovation for improved social performance**

The business can describe which technological innovations it has introduced to improve social impact. These innovations should have resulted in increased income and/or reduced costs for low-income people, and/or have improved relevance, affordability and accessibility of products and services for them.

#### **3.3 Social innovations**

Inclusive businesses often embrace social innovations alongside their business and technological strategies. Social innovations encompass various initiatives, such as community engagement, capacity-building and social impact initiatives. These innovations go beyond profit-making activities and focus on fostering positive social outcomes.

##### **3.3.1 Investing in social innovation**

The inclusive business can show whether it plans to engage or is already investing in enabling low-income groups to participate in the supply chain of the business; improving the welfare and well-being of individuals and communities; improving working conditions, education and community development; and protecting and sharing intellectual property that can benefit the

indigenous and local community. The inclusive business also needs to confirm if it is reporting on the impact of these CSR activities.

### **3.4 Environmental innovations**

Environmental innovations refer to the adoption of sustainable practices and solutions that minimise the ecological footprint of inclusive businesses. By supporting environmental sustainability, inclusive businesses contribute to mitigating climate change, preserving natural resources, and creating a healthier and more sustainable environment for both the target population and the broader community.

#### **3.4.1 Environmental innovation for green production**

The business can show whether it is planning to or already implementing innovations in the production process to reduce pollution, waste and

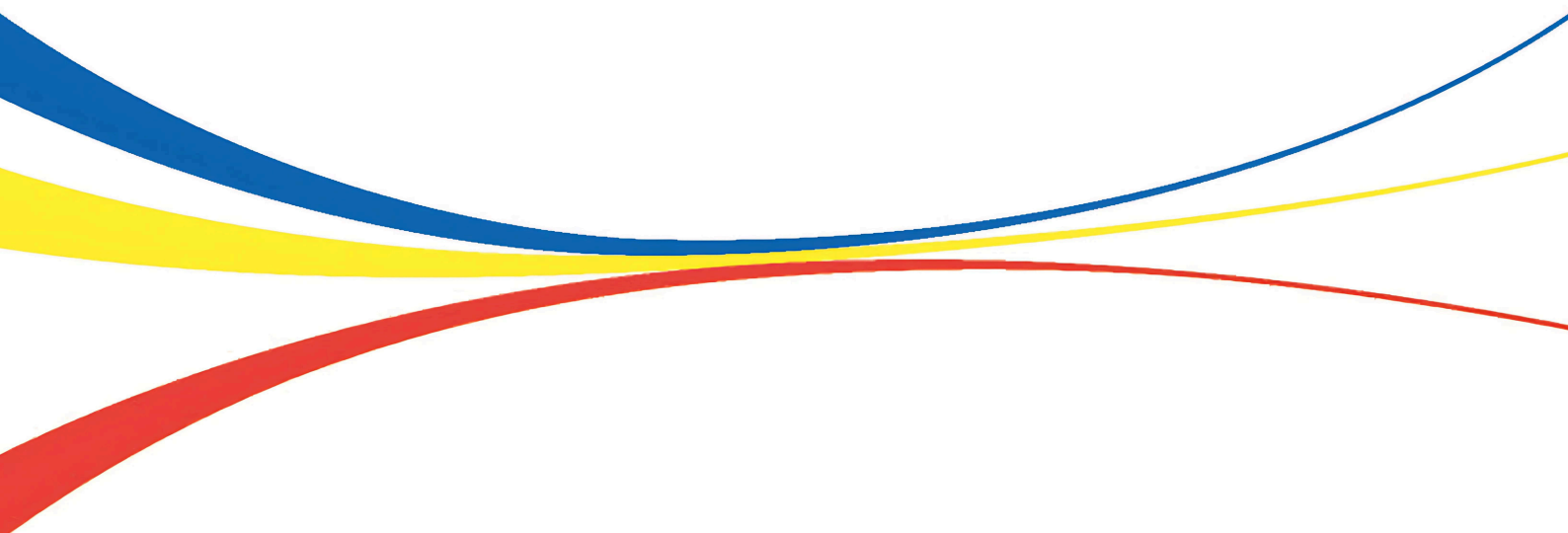
carbon emissions; to use fewer natural resources; to improve biodiversity; and/or to recycle and reuse materials.

#### **3.4.2 Environmental innovations for green distribution, transportation, logistics**

Environmental innovations can also be implemented in the realm of distribution, transportation and logistics. Such innovations and processes would aim to reduce pollution, waste and carbon emissions; and to use fewer natural resources.

#### **3.4.3 Environmental innovation for green consumption**

Environmental innovation can also make consumption less harmful to nature. The business can show plans or be actively implementing products and services with lower environmental impacts, such as biodegradable products, recycled or reduced packaging, and low energy usage.



### **3.**

## Accreditation System Governance

Good governance of the accreditation scheme is critical to ensure it is, and is perceived as, fair and effective. The governance needs to be based on a set of core principles, which then translate into appropriate structures and processes. Some general considerations are provided in this chapter. The concrete set-up of the IB accreditation system will depend on the specific country context.

## 3.1 Core principles

An inclusive business accreditation system is based on the principles of integrity, being beneficial for businesses, cost-efficiency and being voluntary

### 3.1.1 Integrity

The IB accreditation system institutes fairness and veracity by integrating the principles mentioned below.

**Transparency:** The IB accreditation system provides a transparent process and criteria for inclusive business assessment, nomination and accreditation. It provides a set of defined tools (inclusive business readiness assessment, and profile form) to be used by firms, inclusive business accreditation agencies and the inclusive business accreditation panel to assess, rate and accredit IB models.

**Independence:** The IB accreditation system involves independent IB accreditation agencies conducting inclusive business assessments and nomination. Moreover, the inclusive business accreditation panel, an independent, multistakeholder panel, will lead the review of inclusive business profiles and recommend inclusive businesses for accreditation.

**Clarity:** The IB accreditation system provides clear criteria for inclusive business assessment. It establishes clear conditions to be eligible for inclusive business grading and accreditation and for recognising IB accreditation agencies.

**Credibility:** The clear set of criteria and the establishment of an IB accreditation panel composed of different stakeholders provides credibility to the system.

### 3.1.2 Beneficial for businesses

The IB accreditation system should be beneficial to firms. Besides presenting an opportunity to receive benefits (see section 1.3.2), it should be a learning opportunity.

**Learning opportunity:** The IB accreditation system should provide a learning opportunity for firms to design more IB models. The assessments help the business identify those areas where it already meets the key criteria, and those areas where it could strengthen its commercial viability or social impact. In addition, experts conducting the IB assessments can provide valuable insights to the businesses during the interviews.

### 3.1.3 Feasible and cost-effective

Assessment and accreditation can demand significant financial and human resources. Therefore, the proposed model framework is designed with simplicity in mind and engages multiple stakeholders who are willing to support IB assessment and IB promotion.

### 3.1.4 Voluntary

IB accreditation is voluntary for businesses and open to businesses in all sectors and of all sizes that have the potential to develop an inclusive business model.

### 3.1.5 Standardisation

To the extent possible, the IB accreditation system is designed to be harmonised with the model framework for an inclusive business accreditation system in ASEAN.



## 3.2 Establishing a national IB accreditation system

This section explains how to establish a national IB accreditation system and the IB accreditation process. It outlines below the steps required to set up the IB accreditation system, specifies the stakeholders that will need to be involved, and details their respective roles and responsibilities.

The IB Accreditation System outlined in this model framework is not a one-size-fits-all approach and needs to be adapted to the local context. Customisation, both in terms of the system and of the process, is essential to ensure that the accreditation system aligns with the country's unique socio-economic realities, national priorities, institutional features and national regulatory frameworks.

### 3.2.1 Identify the agency responsible for the IB accreditation system

It is assumed that the IB accreditation system will be set up and overseen by a designated government agency, usually the agency responsible for IB promotion but not necessarily. This entity (the IB accreditation agency) will be responsible for coordinating the accreditation process, managing communication with stakeholders, and ensuring the smooth operation of the system. Adequate staffing and capacity-building for the secretariat are critical for its effectiveness.

### 3.2.2 Establish a steering committee to guide the design and implementation of the IB accreditation system

A dedicated steering committee will need to be established, comprising representatives from relevant government ministries and agencies, business associations, experts in inclusive business and other stakeholders (e.g. international development partners). This steering committee will play a pivotal role in shaping the IB accreditation system to meet the country's specific requirements.

Some members of the steering committee may be new to IB accreditation and may require briefings and training on the same. This could be carried out as a half-day workshop.

### 3.2.3 Define principles, indicators and benchmarks

Under the guidance of the IB accreditation agency, the IB steering committee will review and adapt or refine the core principles, indicators and benchmarks of the national IB accreditation system. These are chosen to reflect the distinctive socio-economic realities of the local context, national priorities, institutional features and national regulatory frameworks.

The key indicators and benchmarks that require customisation include:

- **Poverty line and low-income line.** Income benchmarks for poor and low-income are required to identify these groups. The benchmark for poor people will be the national or the international poverty line (in national currency, per person per day). The benchmark for low-income people will be the mean consumption or income of the poorest 40 per cent in the country (in national currency, per day, per person). For reference, see table 2. This is particularly relevant for indicators under 2.1.2.
- **Business size.** Benchmarks for company size (small, medium-sized and large) in terms of net revenue) are required for indicator 1.1.1.
- **Revenue.** Revenue benchmarks are required for indicator 1.2.1.
- **Transparency.** The language in which impact information is published needs to be specified for indicator 1.3.1.
- **Labour standards.** The specific labour standards (indicators under 1.4.1) need to be adjusted according to national policy priorities and the country's legislation.

- **Other social standards.** The social standards (indicators under 1.4.2) need to be adjusted according to national policy priorities and the country's legislation.
- **Environmental standards.** The environmental standards (indicators under 1.4.3) need to be adjusted according to national policy priorities and the country's legislation.
- **Engagement of low-income people (number).** Benchmarks for the number of low-income people engaged must be established for indicator 2.1.1.2.
- **Targeting groups** (i.e. poor people, low-income people, low-income women). The benchmark for poor people, low-income people and low-income women must be established based on the national or international poverty line and the income of the poorest 40 per cent (in national currency, per person, per day). This is required for indicators 2.1.2.1, 2.1.2.2 and 2.1.2.4.
- **Marginalized groups.** The specific marginalised groups that are of relevance in the national context must be identified. These may include ethnic minorities, migrants, persons with disabilities, gender-diverse persons, etc. This is required for indicator 2.1.2.5.

These customisable indicators can be found marked with an asterisk (\*) in table 1 and tables 5–7.

### 3.2.4 Define the IB accreditation process and the roles of different stakeholders

**Identify and allocate resources.** Developing and operating an IB accreditation system requires financial and human resources. The resources required and already potentially available for the accreditation process, including budget, staffing needs and technological infrastructure, will need to be identified. Securing adequate resources is essential to the successful implementation of the system. The design of the system and processes may depend on the resources available.

**Define the government incentives (financial and non-financial) that can be provided to inclusive businesses.** Financial and non-financial support that can be provided by different government agencies and other actors to inclusive businesses should be identified. Specific government incentives that can be provided to accredited inclusive businesses will need to be ascertained (see table 3 for a list of examples). It is critical to explore opportunities to provide this type of support to inclusive businesses and to seek formal approvals for linking IB accreditation with relevant incentives. In each case, it should be distinguished if it will be available only for accredited inclusive businesses (Grade A) or also for potential inclusive businesses (Grade B).

Currently, no specific financial incentives are offered to IBs in ASEAN, but there are other impact-related and SME financial incentives which IBs can benefit from. Once a country establishes an IB accreditation system, it is possible to link IBs to financial, and particularly non-financial incentives, as Viet Nam has done. To start with, governments can provide recognition to IBs (including through national portals and regional IB Awards); priority access to business support services; and access to businesses and investors. Please see Annex II for further details on financial and non-financial incentives available to IBs in ASEAN.

**Consider legal requirements.** Legal requirements will need to be identified as they may impact the accreditation process, such as requirements for approval of the IB accreditation system, requirements to formally recognise or register accredited inclusive businesses, and opportunities to link the accreditation system to incentives.

**Define the IB accreditation process and the roles of different stakeholders, based on the resources available and considering legal requirements.** See section 3.3 for the roles of different stakeholders and section 3.4 for the typical steps of the accreditation process.

Table 3: Range of IB incentives to be explored with relevant agencies

	Examples	Government agencies and other organisations
<b>Financial incentives</b>		
<b>Tax exemptions</b>	<p><b>Additional tax holidays</b> for new investments with specific targets.</p> <p><b>Other tax exemptions</b> could be double deduction for labour expense; double deduction for training; deduction for goods, materials and logistics resources sourced from MSMEs; double deduction for research and development activities.</p>	<p>Board of Investments</p> <p>Ministry of Finance</p>
<b>Subsidies</b>	<p><b>Accessing subsidies</b> for building infrastructure, providing training to low-income groups, employing persons from minority groups, etc.</p> <p><b>End-user subsidies</b> are channelled directly to the products' users and build on and support the development of existing private distribution networks. These subsidies drive user-oriented innovation and efficiency gains, creating over the medium to long term the potential to discontinue the subsidy.</p>	<p>Relevant sectoral ministries (e.g. Ministry of Agriculture)</p>
<b>Preferential treatment</b>	<p><b>Preferential access to public procurement</b> can support inclusive businesses by providing them with a reliable channel for their products. Decentralised public procurement can help with reaching the smallest communities.</p> <p><b>Concessions</b> – a certain level of inclusion of poor producers or consumers can be mandated in concessions.</p> <p><b>Financial and loan assistance from government banks</b> for the commercial production of a product of an inclusive business.</p>	<p>Ministry of Finance</p> <p>State-owned enterprises</p> <p>National banks</p> <p>Investment banks</p>
<b>Insurance schemes</b>	<p>Provision of <b>government insurance schemes</b> that benefit inclusive businesses. For example, for specific crops grown by small farmers; community-based health insurance.</p>	
<b>Grants, challenge funds and guarantees</b>	<p><b>Grants</b> can serve to attract investment into development-related fields.</p> <p><b>Challenge funds</b> are an effective and versatile financing mechanism to catalyse pro-poor innovation and investment.</p> <p><b>Guarantees</b> enable financial institutions to grant credit to customers without financial history or collateral.</p>	

	Examples	Government agencies and other organisations
<b>Non-financial benefits</b>		
<b>Recognition and visibility</b>	<p><b>Public recognition of IBs and potential IBs by government</b> and private-sector agencies' IB awards.</p> <p><b>International IB awards</b> (e.g. ASEAN IB awards).</p> <p><b>Business awards</b> provided by business organisations.</p> <p>Use of <b>official IB logo</b> and branding.</p> <p>Being part of an <b>IB information registry</b> to facilitate collaboration on potential and existing IB projects.</p>	<p>IB accreditation agency</p> <p>ASEAN Coordinating Committee of MSME Development (ACCSME)</p> <p>National chambers of commerce and business associations</p> <p>UN Global Compact</p>
<b>Priority access to business support services</b>	<p><b>Preferential access to support services</b> offered by public agencies – e.g. company capacity-building, technical assistance, marketing assistance, business incubation.</p>	<p>Start-ups and incubation agencies</p> <p>Enterprise development agencies</p>
<b>Access to firms and impact investors</b>	<p>Linking IB and potential IB companies with business development agencies and organisations, business networks and investors.</p>	<p>Investment promotion agencies</p> <p>Enterprise development agencies</p> <p>Start-ups and incubation agencies</p> <p>Impact investors</p>
<b>Priority in obtaining licences, land titling and undergoing inspections</b>	<p>Accredited inclusive businesses may be prioritised in administrative processes (e.g. obtaining licences or titles and undergoing inspections). In the case of agriculture, addressing regulatory issues related to land titling and land transfer regulations can be a great incentive for inclusive businesses.</p>	

Source: Endeava, *Inclusive Business Policies: How Governments Can Engage Companies in Meeting Development Goals*, 2013; Eighteenth Congress of the Republic of the Philippines, Inclusive Business Act, Senate of the Philippines, 2021

### 3.2.5 Pilot

It is desirable to run a pilot of the accreditation system before its formal adoption. The pilot could be done with a small number of businesses and should actively involve members of the steering committee.

### 3.2.6 Formal approval

The IB accreditation system will be finalised based on the feedback of the pilot. The IB accreditation agency will seek formal approval for the system from relevant government authorities before its launch. The approval process may require information workshops and bilateral consultations with stakeholders to introduce the system, solicit feedback, and ensure a common understanding of the accreditation process. Ideally, those in charge of approving the IB accreditation system should be involved in its design as early as possible and as part of the steering committee.

## 3.3 Stakeholders and their roles in the accreditation system

For implementing the accreditation process, the accreditation system requires an IB accreditation agency to oversee the design, adoption and implementation of the IB accreditation system; a secretariat, which organises the process; and an IB steering committee, to design the IB accreditation system and approve the IB assessments. External evaluators, such as organisations promoting inclusive businesses and IB experts, can also play a valuable role in the implementation of the accreditation process.

#### **IB accreditation agency:**

Responsible for establishing and managing the IB accreditation process, including:

- Convening the steering committee to design the IB accreditation system and participate in the IB accreditation process
- Securing the approval of the IB accreditation system

- Seeking public incentives to be provided to potential and accredited IB models (Grades A and B)
- Training and approving inclusive business support organisations (IBSOs) that can support the IB accreditation process
- Overseeing the IB accreditation process, including providing quality assurance on the IB assessments by IBSOs
- Overseeing the work of the secretariat

The IB accreditation agency could be the agency responsible for promoting inclusive businesses – as is the case in Cambodia (the Ministry of Industry, Science, Technology and Innovation) and in Viet Nam (the Agency for Enterprise Development in Viet Nam). Alternatively, the responsibility of overseeing the design, adoption and implementation of the IB accreditation system could also be entrusted to the existing agency responsible for accrediting and recognising social enterprises in the country.

#### **IB steering committee:**

The steering committee (or alternatively a working group) is responsible for:

- Advising on the development of the accreditation system at a strategic level, including its design, implementation, and monitoring and evaluation
- Guiding the design of the IB accreditation system, including (a) the definition of the indicators and benchmarks in a manner that reflects the unique socio-economic realities of the country, national priorities, institutional features and national regulatory frameworks; and (b) the IB accreditation process
- Participating in the pilot process
- Supporting the approval of the IB accreditation system



- Reviewing IB assessments and signing off IB models put forward for IB accreditation
- Monitoring the IB accreditation system and providing advice on its development

The steering committee should comprise representatives from relevant government ministries and agencies, business associations, private organisations promoting inclusive and/or sustainable business, experts in inclusive business, and other stakeholders (e.g. international development partners). Involving representatives from the government and the private sector ensures that both the providers and recipients of incentive packages have a strong stake in the decisions made. To ensure multiple perspectives are considered and to avoid conflicts of interest, it is advisable that at least two business organisations and three government agencies are part of the steering committee.

#### **IB secretariat:**

Facilitates the implementation of the IB accreditation system. Its role includes:

- Promoting the IB accreditation system
- Identifying and engaging potential IB models and partnering organisations to act as external evaluators
- Supporting the IB accreditation process: managing information, consolidating IB assessment and ensuring quality assurance
- Communicating with the IB steering committee, the IB support organisations and evaluation experts, and the accredited inclusive businesses
- Communicating with accredited inclusive businesses, including supporting them to access incentives

The secretariat would ideally be housed in the IB accreditation agency. At the same time, the secretariat must uphold communication lines with other relevant ministries and agencies to ensure coordination and facilitate access to incentives.

#### **IB support organizations:**

IBSOs, including IB experts, will play a critical role in:

- Suggesting potential inclusive businesses to be invited to participate in the IB accreditation process
- Conducting the initial assessment process, including reviewing the businesses' self-assessments and interviewing the candidate companies to verify and complement the self-assessment
- Providing feedback to potential IB companies on how they could improve their business model

IBSOs can constitute government agencies (including at the local level), business associations, IB experts (such as business coaches and impact investors), public and private financing institutions, and academic institutions. To be able to support IB accreditation, IBSOs will be trained and be approved by the IB accreditation agency.



*Photo: Janarbek Amunkulov, UNDP*



### 3.4 Steps of the IB accreditation process

Once the IB accreditation system has been established – that is, once the key stakeholders have been appointed, their roles have been identified, and the IB accreditation system has been designed (including customising indicators, benchmarks, processes and governance), piloted and approved – the IB accreditation process can start in earnest. Table 4 provides an overview of the critical steps of an IB accreditation process.

**Table 4: Detailed description of the accreditation process, roles and responsibilities, activities and associated time frames**

Step	Related organisation	Activities	Tools	Estimated time frame
<b>0. Preparation</b>	IB accreditation agency IB secretariat	0.1. Establish website (page) with all the information regarding IB accreditation. 0.2. Inform IBSOs and IB experts of the IB accreditation process, providing training when necessary. 0.3. Raise awareness among firms about the benefits of IB accreditation. 0.4. Launch call for IB accreditation.	Customised IB Accreditation System	1 month
<b>1. IB readiness self-assessment by the business</b>	IBSOs Businesses IB accreditation agency	1.1. IBSOs invite businesses to complete the IB readiness assessment. 1.2. Businesses complete the IB readiness assessment tool (see Tool 1) and submit the results to the IB accreditation agency (or the focal IBSO).	Tool 1: IB readiness assessment	2 weeks
<b>2. IB initial readiness assessment and rating</b>	IBSOs	2.1. IBSOs interview the businesses with potential to be inclusive businesses and collect relevant evidence to verify the business's self-assessment results. 2.2. IBSOs assess and rate businesses as Grade A, B or C. 2.3. The IBSO summarizes the assessment of each business in an IB profile form (see Tool 2).	Tool 1: IB readiness assessment Tool 2: IB profile form	2 months per submission (ongoing)
<b>3. Nomination of rated businesses</b>	IBSOs	3.1. IBSOs prepare and submit proposals for IB accreditation to the IB accreditation agency. The proposals include the IB profile form and the results of IB readiness assessment for Grade A and Grade B businesses.	Tool 1: IB readiness assessment Tool 2: IB profile form	1 month per submission (ongoing)
<b>4. Rating validation</b>	IB accreditation agency IB secretariat	4.1. The IB accreditation agency consolidates and reassesses the grading of A and B businesses to ensure consistency, with the support of the IB secretariat. 4.2. The IB accreditation agency nominates Grade A businesses to the IB steering committee for official IB accreditation.	Tool 1: IB readiness assessment Tool 2: IB profile form	1 month to validate submissions

Step	Related organisation	Activities	Tools	Estimated time frame
5. IB accreditation	IB steering committee IB secretariat	5.1. The IB steering committee reviews and approves the IB accreditation of Grade A businesses.	Tool 1: IB readiness assessment Tool 2: IB profile form	2 weeks
6. Promotion and support of IB businesses	IB accreditation agency IB secretariat IBSOs	6.1. The IB accreditation agency lists accredited inclusive businesses (with the business's general information and brief description of IB model) on the website. 6.2. The IB accreditation agency publicly promotes accredited firms through an award ceremony for accredited inclusive businesses and through press articles and other communication opportunities. 6.3. Where possible, potential inclusive businesses (Grade B) are informed why they do not yet qualify as IBs. They also receive advice on how to improve their performance, and on where to receive support. 6.4. The IB accreditation agency shares information of accredited IBs (Grade A) and potential IBs (Grade B) with relevant stakeholders (e.g. government agencies, business associations) so that they can be prioritised in relevant support programmes. 6.5. The IB accreditation agency can nominate accredited inclusive businesses for the ASEAN IB Awards, and publish their profiles on relevant ASEAN websites. 6.6. The IB secretariat provides information to accredited IBs (Grade A) and potential IBs (Grade B) on where they may get support and the type of incentives available.		3 months
7. Review IB accreditation	IB accreditation agency	7.1. The IB accreditation agency reviews the quality of the IB accreditation process and recommends adjustments and training as required.	Customised IB Accreditation System	1 month, once every accreditation cycle
8. Annual update of accredited IBs and their profiles	IB secretariat Accredited IBs	8.1. The IB secretariat sends requests to accredited IBs to update their IB profile annually. 8.2. The IB secretariat reviews updated IB profiles of accredited IBs and updates the list of accredited IBs for the year	Tool 2: IB profile form	1 month, once a year

### 3.4.1 Detailed steps of the IB accreditation process

Once the IB accreditation system has been established, the IB accreditation process can start in earnest, and this section provides more details of the steps of the IB accreditation process summarised in table 4.

#### Step 0: Preparation

To start with, if there is not one already, it will be important to develop a website (page) on the IB accreditation system and process. The website (which could also be a page within the website of the IB accreditation agency) provides all the information about inclusive business, the IB accreditation system and key stakeholders, describing the process and access to the related forms.

The first step is to generate awareness among IBSOs and firms on the IB accreditation system, its benefits and the process of getting accredited.

The IB accreditation agency identifies IBSOs that can be invited to be a part of the IB accreditation panel and commences by training and preparing the IBSOs to support the accreditation process. The IB accreditation agency can officially announce the IBSOs which will support the accreditation process, along with their roles and responsibilities.

The IB accreditation agency will also raise awareness among firms about the benefits of IB accreditation. This can be done by sharing case studies of IB-accredited models, and by organising one or several sessions on IB accreditation and on the IB self-assessment tool.

Following this preparatory work to raise awareness (or in parallel), the call for IB accreditation can be launched. This will be published in the online website.



*Photo: Cory Wright, UNEP*

#### Step 1: Inclusive business readiness assessment by the business

IBSOs promote the concept of inclusive business and inform businesses about the accreditation scheme and its benefits.

Businesses are invited to complete the self-assessment (see Tool 1) to see whether or not their business can qualify as an inclusive business. Businesses are guided to the respective website to start the application process. Businesses interested in the IB accreditation submit the self-assessment to the IB accreditation agency (or alternatively the focal IBSO) along with the required documentation.

#### Step 2: Inclusive business initial assessment and rating

The applications are assessed by the IBSOs based on the criteria, indicators and benchmarks set in the IB accreditation system and the evidence and documentation provided by the businesses.

IBSOs interview the businesses with IB potential and collect relevant evidence to verify the company's self-assessment results.

The IBSOs rate the businesses as follows:

- **Grade A:** Businesses with an overall rating achievement above 80 points. These businesses qualify as inclusive businesses. Grade A businesses can be nominated to the IB accreditation agency for official IB accreditation and to receive government incentives.
- **Grade B:** Businesses with an overall rating achievement of 50–80 points out of 100 points. These businesses have the potential to become an inclusive business. Grade B businesses can receive full or partial government incentives. The businesses are not eligible to be nominated for IB accreditation. They receive feedback and guidance to enable them to reach or cross the 80-points qualification mark in a later iteration.
- **Grade C:** Businesses that receive less than 50 points of the total 100 points. These businesses are not eligible for IB accreditation and are not eligible to receive government incentives. They can receive recommendations or coaching from the IBSOs on how to become more inclusive.

The IBSOs summarise the assessment of each business in an IB profile form (see template in Tool 2). The IB profile highlights key findings (with evidence) on the strategic intent, commercial viability, social impact and innovation for low-income people. The IBSOs provide their recommended ranking of the inclusive business in the IB profile, for the consideration of the IB accreditation agency. The IB profiles are then submitted to the IB accreditation agency and its secretariat for consolidation and quality assurance.

### **Step 3: Nomination of rated businesses**

IBSOs prepare and submit proposals for IB nomination to the IB accreditation agency. The proposals include the IB profile form and the results of the IB readiness assessment for Grade A and Grade B businesses. IBSOs nominate Grade A businesses to the IB accreditation secretariat for official IB accreditation.

### **Step 4: Rating validation**

The IB accreditation agency, with the support of the secretariat, consolidates and reassesses the grading of A and B businesses to ensure consistency.

The IB accreditation agency nominates Grade A businesses to the IB steering committee for official IB accreditation.

### **Step 5: Inclusive business accreditation**

The IB steering committee reviews and approves the IB accreditation of Grade A businesses. Typically, the IB accreditation agency will call for a review every six months.

The secretariat will then inform all the applicants about the decisions made.

### **Step 6: Promotion and support of inclusive businesses**

The IB accreditation agency lists IB-accredited businesses (with a business's general information and brief description of IB model) on the website.

Additionally, the IB accreditation agency can publicly acknowledge newly accredited businesses through an award ceremony. This ceremony should garner positive publicity for the business as well as awareness of the IB approach. The IB accreditation agency can also engage agencies to communicate the stories of the accredited inclusive businesses of the year.

Where possible, potential inclusive businesses that are assessed as Grade B are informed about the reasons why they do not qualify as an inclusive business. They may also receive feedback on how to improve their performance, and on where to receive support.

The IB accreditation secretariat shares data and information of accredited inclusive businesses (Grade A) and potential inclusive businesses (Grade B) with relevant stakeholders (e.g. government agencies and business associations). They can support accredited inclusive businesses and prioritise them in their support programmes.

Furthermore, the IB Accreditation Agency can nominate accredited inclusive businesses for the ASEAN IB Awards, and profile them in relevant ASEAN websites.

The secretariat will also actively provide information to accredited inclusive businesses (Grade A) and potential inclusive businesses (Grade B) on where they may get the support they need and the type of incentives available. Where possible, such information should be customised to each business's needs and potential.

#### **Step 7: Review Inclusive business accreditation**

The IB accreditation secretariat reviews the quality of the IB accreditation process and recommends adjustments and training. In this review, the IB accreditation secretariat includes inputs from the IB steering committee and the IBSOs. The secretariat can provide capacity-building for IBSOs via training and peer-learning sessions on how to identify and rate businesses with IB potential. The IB accreditation secretariat also monitors and prepares a report on the implementation of the IB accreditation system after each cycle (typically biannually or at least once a year).

#### **Step 8: Annual update of accredited Inclusive businesses and their profiles**

The IB accreditation secretariat sends a request to accredited inclusive businesses to update their IB profile annually. The IB accreditation secretariat reviews the updated profiles and updates the list of accredited inclusive businesses for the year.

### **3.4.2 Customising the steps of the IB accreditation process to national contexts**

The steps in the IB accreditation process may need to be adjusted to the national context.

For example, the accreditation may be centralised in a single agency – typically the IB accreditation agency – where all the assessments and IB profiling will be carried out by the IB accreditation agency. This will encourage consistency in the assessments, but it will also require that the IB accreditation agency has the necessary resources. Additionally, it will limit the involvement of IBSOs in the promotion and support of inclusive businesses and potential inclusive businesses.

The institutions advising businesses on available incentives and resources can vary. It makes sense that IBSOs as well as the IB accreditation agency provide advice to firms on accessing resources and incentives.

The duration of the steps may be adjusted depending on preferences and resources available.

## Annex I. Tools

### **Tool 1: Inclusive business readiness assessment**

The process to receive IB accreditation involves three stages:

1. An IB readiness self-assessment done by interested businesses.
2. An IB assessment done by the IB accreditation agency (or an approved IBSO) based on the IB readiness self-assessment by the business and evidence/information collected from a follow-up interview.
3. The official IB accreditation provided by the national IB accreditation steering committee.

Businesses interested in exploring their readiness as inclusive businesses would fill in this IB Readiness Assessment Questionnaire and submit it to an approved IBSO.

The IB accreditation agency (or the approved IBSO) will provide a short summary in response and invite those businesses with the potential for inclusive business to the second stage.



Table 5: Indicators and benchmarks for rating strategic intent

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>0. Strategic intent</b>					
<b>0.1. Declaration of strategic intent</b>	The company deliberately seeks to create direct social impact or shared value with low-income people and marginalised groups	The strategic intent to create direct social impact or create shared value with low-income people has been declared in the organisational mission, vision or objectives	Is the business deliberately seeking to create direct social impact or create shared value with low-income people?	a. No intent	0
				b. No intent. However, the business still mobilises low-income people in the value chain (L)	1 (L)
				c. Yes, the strategic intent is stated by senior management to serve low-income people (M)	2 (M)
				d. Yes, there is a strategic intent declared in the vision, mission or objectives of the business to serve low-income people (H)	3 (H)
				e. The business has provided products, services and enhanced income for low-income people (H)	4.5 (H)
<b>0.2. Impact measurement and management</b>	The business deliberately seeks to measure and manage impact	Strategic intent to measure and manage impact	Is the business measuring and managing impact?	a. Not yet	0
				b. The business intends to develop an impact measurement and managing system (L)	1 (L)
				c. The business has some basic measures of impact (e.g. number of low-income customers serviced; level of enhanced income opportunities provided) (M)	2.5 (M)
				d. The business has a system to measure and manage impact (H)	4.5 (H)

Notes: L: Low impact, M: Medium impact, H: High impact

**Table 6: Indicators and benchmarks for rating commercial viability**

Notes:

L: Low impact, M: Medium impact, H: High impact

(\*) Indicators that rely on benchmarks that have to be adjusted on the basis of existing country benchmarks and definitions

(\*\*) Exclusion criteria: used to identify companies that should not be eligible for grade rating and IB accreditation

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>1. Commercial viability</b>					
<b>1.1. Commercial viability of the company</b>					
<b>1.1.1 Size (*)</b>	Size of the company is measured by its net revenue	Net revenue	What is the net revenue of the company in the last year (billion VND)?	a. Small: Less than [country currency equivalent]	0
				b. Small-medium: [country currency equivalent] (L)	1 (L)
				c. Medium: [country currency equivalent] (L)	1.5 (L)
				d. Medium-large: [country currency equivalent] (M)	2 (M)
				e. Large: [country currency equivalent] (H)	3 (H)
				f. Very large: [country currency equivalent] (H)	4 (H)
<b>1.1.2. Profitability</b>	Gross profit in per cent of net revenue of the company	Gross profit in per cent of net revenue in the last year of the company	What is the gross profit in per cent of net revenue in the last year (%)?	a. <=0% (this option refers to when the business is having losses)	0
				b. Less than 5% (L)	0.5 (L)
				c. 5–15% (L)	1 (L)
				d. 15–25% (M)	2 (M)
				e. 25–30% (M)	2.5 (M)
				f. More than 30% (H)	3 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>1.1.3. Bankability</b>	The state or condition of the company being bankable (ability to attract investment)	Company is bankable	How bankable is the company? Are you able to access loans from banks?	a. No, we are grant oriented	0
				b. Somewhat bankable (we have outstanding loans from banks, but are not eligible to absorb larger financing) (L)	1 (L)
				c. Bankable (we have received loan financing and paid in time; we can absorb larger financing) (M)	2 (M)
				d. Bankable for impact investment (businesses can access financing with preferential interest rates from IB investment or impact investment) (H)	3 (H)
<b>1.2. Commercial viability of the IB model</b>					
<b>1.2.1. Revenue (today) (*)</b>	Revenue of the inclusive business	Revenue of the IB model in the last year	What is the revenue of the IB model in the last year (to be measured in official state currency)?	a. Very low: Less than [country currency equivalent]	0
				b. Low: [country currency equivalent] (L)	1 (L)
				c. Low-medium: [country currency equivalent] (L)	2 (L)
				d. Medium: [country currency equivalent] (M)	2.5 (M)
				e. Medium-high: [country currency equivalent] (M)	3 (M)
				f. High: [country currency equivalent] (H)	3.5 (H)
				g. Very high: [country currency equivalent] (H)	4 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
1.2.2. Growth (over last 3 years)	Revenue growth over the last 3 years	Revenue growth rate (last 3 years)	What is the business's revenue growth rate (last year compared to 3 years earlier?) (%)	a. < 10%	0
				b. 10–20% (L)	2 (L)
				c. 20–50% (M)	4 (M)
				d. Above 50% (H)	6 (H)
<b>1.2.3. Managing risks</b>					
1.2.3.1. Understanding risks	Understanding of business risks and risks of engaging low-income people	Understanding of business risks and risks of engaging low-income people	Which core business risks and risks related to engaging low-income people have been identified?	a. We cannot assess risk (L)	0 (L)
				b. Business risks (market, financial, technology, innovation speed in the industry etc.) have been identified (M)	1 (M)
				c. The risks related to low-income people (source of goods, productivity, quality, input cost, etc.) have been identified (H)	2 (H)
1.2.3.2. Addressing risks	Solution to address business risks	Stage of implementation of solution to address business risks	What is the business doing to address these risks?	a. No solution implemented yet (L)	0 (L)
				b. Implemented a risk-treatment solution, resulting in increased costs (L)	1 (L)
				c. Implemented a solution to handle risks, without increasing costs for low-income people (M)	1.5 (M)
				d. Implemented a solution to handle risks, without increasing costs for businesses (M)	2 (M)
				e. Implemented a solution to handle risks, which does not increase costs for businesses and low-income people (H)	3 (H)
1.2.4. IB profitability	Profitability of the business	Gross profit margin in per cent of the revenue of the business in the last year	How profitable is the business?	a. Loss-making (L)	0 (L)
				b. Break-even (M)	1 (M)
				c. Profit-making (M): 0-10%	2 (M)
				d. Profit-making (H): 10-20%	3.5 (H)
				e. Profit-making (H): +20%	5 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>1.3. Good governance</b>					
<b>1.3.1 Transparency (*)</b>	Establishing transparency by collecting information and publishing an online report on the social impact of the business	Collection and publication of information on the website related to reporting of social impact	Does the company collect and publish information related to reporting on its social impact on its website?	a. No (L)	0 (L)
				b. Yes [in official country language] (M)	0.5 (M)
				c. Yes [in official country language] and English (H)	c. 1 (H)
<b>1.3.2. Management structure</b>	Including gender-diverse and other marginalised groups in the structure of the board of directors	Inclusion of gender-diverse and other marginalised groups in the structure of the board of directors	Does the company's board of directors have at least 40% women or other marginalised groups?	a. No (L)	0 (L)
				b. Planning to do (M)	0.5 (M)
				c. Yes (H)	1 (H)
<b>1.3.3. Management practices</b>	Issuing and publishing a Code of Conduct	Issuance and publication of a Code of Conduct	Has the company issued and published a Code of Conduct?	a. No (L)	0 (L)
				b. Planning to do (M)	0.5 (M)
				c. Yes (H)	1 (H)
<b>1.3.4. Distribution of benefits</b>	A policy of equitable distribution of benefits in the value chain	Existence of a policy of equitable distribution of benefits in the value chain	Does the company have a policy of equitable distribution of benefits in the value chain?	a. No (L)	0 (L)
				b. Planning to do (M)	0.5 (M)
				c. Yes (H)	1 (H)
<b>1.3.5. Payment of corporate income tax (**)</b>	Paying corporate income tax in accordance with the law	Payment of corporate income tax in accordance with the law	Does the company pay corporate income tax in accordance with the law?	a. Sometimes no. We have outstanding tax for this/last tax period (L, not eligible)	0 (L, not eligible)
				b. Yes, the company pays corporate income tax in accordance with the law (M)	0.5 (M)
				c. Yes, the company pays corporate income tax in accordance with the law and has been awarded with a certificate of merit [or state-specific equivalent] for good implementation of tax policies and laws by the official tax department/institution (H)	1 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>1.4. Environmental and social safeguard standards</b>					
<b>1.4.1. Adherence to labour standards (*)(**)</b>					
1.4.1.1 Freedom of association and the effective recognition of the right to collective bargaining (*)(**)	Compliance with the labour law to ensure freedom of association and recognition of the right to collective bargaining in accordance with international labour standards	The company is fully compliant and has signed a declaration of compliance with the labour law to ensure freedom to join associations or unions and engages in meaningful collective bargaining discussions	Does the company fully comply, and has it signed a declaration of compliance with the labour law to ensure freedom to join associations or unions, and does it engage in meaningful collective bargaining discussions?	a. No (Not eligible)	0 (Not eligible)
				b. Yes (Eligible)	0.4
1.4.1.2 Elimination of all forms of forced or compulsory labour (*)(**)	Compliance with the labour law to prohibit any form of forced or compulsory labour	The company is fully compliant and has signed a declaration of compliance with the labour law to prohibit any form of forced or compulsory labour	Does the company fully comply and has it signed a declaration of compliance with the labour law to ensure that any forms of forced or compulsory labour are prohibited?	a. No (Not eligible)	0 (Not eligible)
				b. Yes (Eligible)	0.4
1.4.1.3 The effective abolition of child labour (*)(**)	Compliance with the labour law to prohibit any form of child labour	The company is fully compliant and has signed a declaration of compliance with the labour law to prohibit any form of child labour	Does the company fully comply and has it signed a declaration of compliance with the labour law to prohibit any form of child labour?	a. No (Not eligible)	0 (Not eligible)
				b. Yes (Eligible)	0.4
1.4.1.4 The elimination of discrimination in respect of employment and occupation (*)(**)	Taking active measures to eliminate discrimination with respect to employment and occupation	The company is fully compliant and has signed a declaration of compliance with the labour law and takes active measures to eliminate discrimination in employment and occupation	Does the company fully comply and has it signed a declaration of compliance with the labour law, and does it take active measures to eliminate discrimination with respect to employment and occupation?	a. No (Not eligible)	0 (Not eligible)
				b. Yes (Eligible)	0.4



Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
1.4.1.5 A safe and healthy working environment (*)(**)	Compliance with the labour law and maintenance of a safe and healthy working environment for all employees	The company is fully compliant and has signed a declaration of compliance with the labour law to ensure and maintain a safe and healthy working environment for all of its employees	Does the company fully comply and has it signed a declaration of compliance with the labour law to ensure and maintain a safe and healthy working environment for all its employees?	a. No (Not eligible)	0 (Not eligible)
				b. Yes (Eligible)	0.4
<b>1.4.2. Other social standards (*)</b>					
1.4.2.1. Training and promotion for employees (*)	Develop programmes and conduct activities to improve the professional qualifications of employees and/or low-income people participating in the value chain	Existence of programmes and activities to improve the professional qualifications of employees and/or low-income people participating in the value chain	Does the company run programmes and conduct activities to improve the professional qualifications of employees and low-income people participating in the value chain?	a. No (L)	0 (L)
				b. Yes (M)	0.25 (M)
1.4.2.2 Engaging with local communities (*)	Organising activities that engage with or positively impact the local community	Existence of programmes and/ or activities that engage with the local community, or positively impact it	Does the company organise activities that engage the local community, or positively impact it?	a. No (L)	0 (L)
				b. Yes (M)	0.25 (M)
1.4.2.3 Key performance indicators to measure supplier selection (*)	Developing social norms for suppliers and applying these criteria in the supplier/supply chain selection process	Existence of social norms for suppliers and application of these criteria in the supplier/ supply chain selection process	Does the company have social norms for suppliers and does it apply these criteria in the supplier/supply chain selection process?	a. No (L)	0 (L)
				b. Yes (M)	0.25 (M)
1.4.2.4 Customer health and safety (*)	Having a process to conduct evaluations to ensure that products and services are safe for customers	Existence of processes to conduct evaluations to ensure that products and services are safe for customers	Does the company have a process to conduct evaluations to ensure that products and services are safe for customers?	a. No (L)	0 (L)
				b. Yes (M)	0.25 (M)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>1.4.3. Adherence to environmental standards</b>					
<b>1.4.3.1 Environmental safeguard policies</b>					
<i>1.4.3.1a Environmental safeguard policies (*)</i>	Related to environmental safeguarding policies, associated activities, behaviours to avoid, and mitigation of adverse environmental impacts	Existence of environmental safeguard policies, related activities, knowledge of behaviours to avoid to mitigate adverse environmental impacts	Does the company apply any environmental safeguarding policy, and related procedures and physical measures?	a. No, we have not applied them yet (L)	0 (L)
				b. No, certain environmental safeguards are not relevant to our type of business (M)*	0.5 (M)
				c. Yes, according to [country name] law (M)	0.5 (M)
				d. Already in place, we have a monitoring report on environmental safeguards (H)	1 (H)
<i>1.4.3.1b Environmental law violation (*)(**)</i>	Environmental law violation	Violation of environmental laws	Does the company violate any environmental law or currently face administrative sanctions for environmental law violation?	a. Yes, within the last 24 months** (L, not eligible)	0 (L, not eligible)
				b. No (M)	0.5 (M)
<b>1.4.3.2 Energy (*)</b>	Reporting on energy consumption, and achieving energy saving by implementing relevant solutions	Existence of a report on energy consumption, and a solution for saving energy	Does the company have a report on its energy consumption, and does it implement any solutions to achieve energy saving?	a. No (L)	0 (L)
				b. Yes (M)	0.5 (M)

**Table 7: Indicators and benchmarks for rating social impact**

Notes:  
 L: Low impact, M: Medium impact, H: High impact  
 (\*) Indicators that rely on benchmarks that have to be adjusted on the basis of existing country benchmarks and definitions  
 Poor people: People with income below [country currency equivalent of the income per day per person under the national or international poverty line]  
 Low-income people: Persons with income below [the country currency equivalent of the poorest 40% per day per person of the country] (see table 2). The group of low-income people is larger than and includes poor people.

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>2. Social impact</b>					
<b>2.1. Social impact reach</b>					
<b>2.1.1. Engagement of low-income people: type and number</b>					
<b>2.1.1.1. Type of engagement of low-income people</b>	The different roles in which low-income people are engaged in the business: as labour, suppliers, distributors, consumers and shareholders	The role of the low-income people involved in the business	What is the role of the low-income people involved in the business?	<b>Possible to check more than one option for this criterion</b>	
				a. Low-income people involved as labour (L)	0.25 (L)
				b. Low-income people involved as suppliers, retailers/distributors (M)	0.5 (M)
				c. Low-income people involved as consumers (M)	0.5 (M)
				d. Low-income people involved as shareholders (H)	0.75 (H)
<b>2.1.1.2. Number of low-income people (*)</b>	The number of low-income people involved in the business as labour, suppliers, distributors, consumers, shareholders	Number of low-income people involved in the business	What is the number of low-income people involved in the business?	a. Less than [country benchmark for small number of low-income people engaged (e.g. 50)] (L)	0 (L)
				b. [Country benchmark bracket for small-medium number of low-income people engaged (e.g. 50-300)] low-income people (L)	1 (L)
				c. [Country benchmark bracket for medium number of low-income people engaged (e.g. 300-500)] low-income people (M)	2 (M)
				d. [Country benchmark bracket for medium-high number of low-income people engaged (e.g. 500-2000)] low-income people (M)	3 (M)
				e. More than [Country benchmark for high number of low-income people engaged (e.g. +2000)] low-income people (H)	4 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>2.1.2. Targeting groups</b>					
2.1.2.1 Targeting of poor people (*)	Poor people with income below [country currency equivalent of the income per day per person under the national or international poverty line]	Percentage of poor people with income below [country currency equivalent of the income per day per person under the national or international poverty line] engaged in the business	What percentage of poor people with income per capita below [country currency equivalent of the income per day per person under the national or international poverty line] are engaged in the business?	a. Less than 10% (L)	0 (L)
				b. 10–30% (M)	0.5 (M)
				c. Above 30% (H)	1 (H)
2.1.2.2. Targeting of low-income people (*)	Low-income people with income below [country currency equivalent of the poorest 40% per day per person of the country] (see table 2)	Percentage of low-income people with income below [country currency equivalent of the poorest 40% per day per person of the country] engaged in the business	What percentage of low-income people with income below [country currency equivalent of the poorest 40% per day per person of the country] are engaged in the business?	a. Less than 30% (L)	0 (L)
				b. 30–40% (M)	1 (M)
				c. Above 40% (H)	1.5 (H)
2.1.2.3. Targeting of women	Percentage of women engaged in the business	Percentage of women engaged in the business (as percentage of total number of people engaged in the business)	What percentage of women are engaged in the business?	a. Less than 20% (L)	0 (L)
				b. 20–50% (M)	1 (M)
				c. Above 50% (H)	1.5 (H)
2.1.2.4 Targeting of low-income women (*)	Percentage of poor and low-income women engaged in the business	Percentage of low-income women engaged in the business (as percentage of total number of people engaged in the business)	What percentage of low-income women participate in the business?	a. Less than 10% (L)	0 (L)
				b. 10–25% (M)	0.5 (M)
				c. Above 25% (H)	1 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
2.1.2.5 Targeting of other marginalised groups (*)	Percentage of [specify relevant marginal groups for the country context] engaged in the business	Percentage of [specify relevant marginal groups for the country context] engaged in the business (as percentage of total number of people engaged in the business)	What percentage of [specify relevant marginal groups for the country context] are engaged in the business?	a. Less than 10% (L)	0 (L)
				b. 10–25% (M)	1 (M)
				c. Above 25% (H)	2 (H)
<b>2.2. Social impact depth</b>					
<b>2.2.1. Income model</b>					
2.2.1.1. Increased income (before and after)	Low-income people increase their income compared to the first year of joining the business	Percentage of income increase achieved by low-income people compared to the first year of joining the business	What is the percentage of income increase achieved by low-income people compared to the first year of joining the business?	a. < 20% (L)	0 (L)
				b. 20–30% (L)	1 (L)
				c. 30–50% (M)	2 (M)
				d. 50–100% (H)	3 (H)
				e. Above 100% (H)	4 (H)
2.2.1.2. Increased income (compared to market rate)	Low-income people engaging with the business receive higher income than if they go to the market	Percentage of income increase achieved by low-income people compared to the market rate	Can the poor and low-income people engaging with the business receive higher income than the market?	a. No, on par with market rate (L)	0 (L)
				b. 5–10% more (L)	1 (L)
				c. 10–20% more (M)	2 (M)
				d. More than 20% (H)	2.5 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
2.2.1.3. Increased income (compared to competitors)	Introducing solutions to achieve higher income for low-income suppliers/distributors/labourers which cannot be applied or replicated by competitors	Number of solutions introduced for low-income suppliers/distributors/labourers which cannot be applied or replicated by competitors	What solutions have been introduced to achieve higher income for low-income suppliers/distributors/labourers which cannot be applied or replicated by competitors?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Buy more from low-income suppliers/distributors (L)	0.5 (L)
				c. Increase productivity and wage/pay due to higher productivity (M)	1 (M)
				d. Reduce their costs (storage, transport, input cost) (M)	1 (M)
				e. Improve quality of product/service and pay better (H)	1.5 (H)
				f. Apply equitable distribution of income with low-income people (such as low-income people joining as shareholders, or engaging in fair trade) (H)	1.5 (H)
2.2.1.4. Sustainability, addressing risks	Introducing solutions to address risks and improve the sustainability of the business partnership with low-income suppliers/distributors/labourers	Existence of a solution introduced to address risks and improve the sustainability of the business partnership with low-income suppliers/distributors/labourers	What solution has the company introduced to address risks and improve the sustainability of the business partnership with low-income people?	<b>Possible to check more than one option for this criterion</b>	
				a. None (L)	0 (L)
				b. Signed contracts directly with low-income people or through organisations working with them (cooperatives, savings and loan groups) (L)	0.5 (L)
				c. Created a mechanism for fair share of benefits in the value chain; and co-investing (M)	1 (M)
				d. Applied solutions allowing low-income people to gain additional benefits from joining as partners of the company's value chain (e.g. sustainability certifications, intellectual property rights) (H)	1.25 (H)
				e. Apply solutions that allow low-income people to gain an additional source of income from joining as partners of the company's value chain (H)	1.25 (H)



Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>2.2.2. Product and service model</b>					
<b>2.2.2.1. Relevance of the product/service for low-income people</b>					
2.2.2.1a <i>Relevant design</i>	The product or service is specifically designed to be relevant for low-income people	Relevance for low-income people	Has the product/service been specifically designed to be relevant for low-income people?	a. Under research (L)	0.5 (L)
				b. Somewhat but can be further adapted to better meet the needs of low-income people (M)	1 (M)
				c. Yes, strongly (H)	2 (H)
2.2.2.1b <i>Product/service demand</i>	There is demand for the product or service	Continued relevance of the product/service	Is your product/service still relevant to low-income people?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Yes, we are still attracting new customers (M)	1 (M)
				c. Yes, we are retaining customers (M)	1 (M)
			d. Yes, we meet our sale goals (H)	2 (H)	
2.2.2.2. <b>Affordability of product</b>	Measures taken to make the product affordable to low-income people	Existence of means of making the product affordable to low-income people	Have any methods been introduced to make the product affordable to low-income people?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Reduced sale price (M)	1 (M)
				c. Clear pricing communication, lower than competitors (M)	1 (M)
				d. Other means of making the product affordable (e.g. payment in instalments) (M)	1 (M)
			e. Affordable price within most low-income people's budget (H)	2 (H)	

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
2.2.2.3. Delivery mode	Methods to speedily reach the low-income customers	Existence of means to quickly reach the low-income customer	Are there any cost-effective means to speedily reach the low-income customer?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Delivery close to low-income people, optimised delivery cost (M)	0.5 (M)
				c. Partnership with distributors enables the business to reach target customers (M)	0.5 (M)
				d. Technology leveraged to reach customers (H)	1 (H)
2.2.2.4. Sustainability, addressing risks	Solutions introduced by the business to reduce risks of serving low-income consumers	Existence of solutions introduced to reduce risks of serving the low-income segments	What solutions has the business introduced to reduce risks of serving the low-income segments?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Distributor contract with risk-sharing/benefit-sharing terms (L)	0.5 (L)
				c. Using insurance services or cost-sharing means (M)	1 (M)
				d. Using technology-based solutions to increase sales at low cost, combined with the exploitation of government support programmes to provide products and services to the poor and low-income people (H)	1.5 (H)
<b>2.3. Systemic change</b>					
2.3.1. Sectoral impact	Scalability of the IB model and its replication by other firms in the sector or in another sector	Scalability and replication of the IB model in the sector or in another sector	How does your IB scale up and can it be replicated by other firms in the sector?	<b>Possible to check more than one option for this criterion</b>	
				a. No, we are not interested in being a guiding example for others (L)	0 (L)
				b. Our IB model can be replicated by other firms in the sector (M)	0.5 (M)
				c. Our IB model can be replicated by other firms in the sector and other sectors (H)	1 (H)
				d. Our IB model allows us to co-work with other IB firms in the value chain (H)	1.5 (H)

Criteria	Definition/explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
2.3.2. Geographical impact	Enhancing the well-being of low-income groups in a particular geographical area	Scale of impact in a specific geography	Is the business contributing to building impact at scale in a specific geography to deliver joint products/ services/ income opportunities or to invest in physical infrastructure?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Relative scale of the business is medium, medium-large or large (M)	0.5 (M)
				c. The business partners significantly with other stakeholders to deliver joint products/ services/income opportunities (M)	0.5 (M)
				d. The business has built social structures (H)	1 (H)
				e. The business has partnered with other stakeholders significantly to invest in physical infrastructure (H)	1 (H)
2.3.3. Gender impact	Closes the gap between women and men (network, social relationship, product/ service for improving living standard, education)	Means to promote gender equality	How does your business create gender impact?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. Specific capacity-building programmes for women (M)	1 (M)
				c. Offer products/services that substantially improve the lives of women (including girls) (M)	1 (M)
				d. Engage partner(s) that support women, facilitate networking to improve social capital for women (M)	1 (M)
2.3.4. Impact on poverty reduction	Creates IB models for poverty reduction that others can scale up and replicate	Scalability and replication of poverty reduction model	Does the IB create a model for poverty reduction, and does it enable other stakeholders to scale up or replicate the model?	<b>Possible to check more than one option for this criterion</b>	
				a. None of the below (L)	0 (L)
				b. We create role models so that the local community can scale up and self-operate (M)	1 (M)
				c. We create an IB model for sustainable poverty reduction that will be replicated by the government (M)	1 (M)
				d. We mobilise the private and public sectors to scale up/expand poverty-reduction models (H)	2 (H)

**Table 8: Indicators and benchmarks for rating innovation**

Note: L: Low impact, M: Medium impact, H: High impact

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>3. Innovation</b>					
<b>3.1. Business innovation</b>					
<b>3.1.1. Innovation in business process</b>	Introduction of an innovation in the business process to:  1. Benefit low-income people (increased number of low-income participants and/or social impact for them [in terms of income or improved product/service])  2. Improve economic performance of the company (increase revenue, investment, market, profitability or bankability)	Innovations in the business process for benefiting low-income people and to improve economic performance	Has the company introduced any innovation in its business processes to benefit low-income people or improve the economic performance of the company?	a. None introduced/not applicable (L)	0 (L)
				b. Have the intent to introduce (L)	0.5 (L)
				c. Planned to introduce it next year – there is written documentation to support this claim (M)	0.75 (M)
				d. Already in place with performance results recorded (H)	1 (H)
<b>3.1.2. Innovation in business model, or product and/or service</b>	Introduction of an innovation in business model, products or services to:  1. Benefit low-income people (increased number of low-income participants and/or social impact for them [in terms of income or improved product/service])  2. Improve economic performance of the firm (increase revenue, investment, market, profitability or bankability)	Innovation in the business model, products, services for benefiting low-income people and improved economic performance	Has the company introduced any innovation in business model, products and services to benefit low-income people or to improve the economic performance of the company?	a. None introduced/not applicable (L)	0 (L)
				b. Have the intent to introduce (L)	0.5 (L)
				c. Planned to introduce it next year – there is written documentation to support this claim (M)	0.75 (M)
				d. Already in place with performance results recorded (H)	1 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>3.2. Technological innovation</b>					
<b>3.2.1. Technological innovation for improved economic performance</b>	Introduction of technological innovations to improve the commercial viability of the IB line (improve quality, reduce cost of products and services for low-income customers, increase market share, enter new markets, etc.)	Technological innovation introduced to improve the commercial viability of the IB line	Has the company introduced any technological innovations to improve the commercial viability of the IB line?	a. None introduced/not applicable (L)	0 (L)
				b. Have the intent to introduce (L)	0.5 (L)
				c. Planned to introduce it next year – there is written documentation to support this claim (M)	0.75 (M)
				d. Already in place with performance results recorded (H)	1 (H)
<b>3.2.2. Technological innovation for improved social performance</b>	Introduction of technological innovation to improve social impact (increased income for low-income people, reduced costs for low-income people, improved relevance/ affordability/ accessibility of product and service for low-income people, etc.)	Technological innovation introduced to improve social impact	Has the company introduced any technological innovations to improve social impact?	a. None introduced/not applicable (L)	0 (L)
				b. Have the intent to introduce (L)	0.5 (L)
				c. Planned to introduce it next year – there is written documentation to support this claim (M)	0.75 (M)
				d. Already in place with performance results recorded (H)	1 (H)
<b>3.3. Social innovation</b>					
<b>3.3.1. Investing in social innovation</b>	Social innovations introduced to enable low-income groups to engage in the supply chain of the business; to improve the welfare and well-being of individuals and communities; to improve working conditions, education, community development; or to create intellectual property that can benefit the indigenous and local communities	Investing in social innovations	Is there any social innovation introduced by the company or in which the company is investing?	a. None introduced/not applicable (L)	0 (L)
				b. Have the intent to introduce (L)	0.5 (L)
				c. Planned to introduce it next year – there is written documentation to support this claim (M)	1 (M)
				d. Already in place with performance result recorded (H)	2 (H)

Criteria	Definition/ explanation	Indicator	Question	Answers and benchmarks	Scoring scale (points)
<b>3.4. Environmental innovation</b>					
<b>3.4.1. Environmental innovation for green production</b>	Introduction of innovations in production process to reduce pollution, waste and carbon emissions; to use fewer natural resources; to improve biodiversity; and/or to recycle and reuse materials	Environmental innovation in production to transform to green production	Is there any innovation introduced to reduce pollution, waste and carbon emissions; to use fewer natural resources; to improve biodiversity; and/or to recycle and reuse materials?	a. Not implemented/not applicable (L)	0 (L)
				b. Intend to introduce, have documentation to support this intent (L)	0.5 (L)
				c. Planned for next year; have written documentation to support this (M)	0.75 (M)
				d. Introduced and impact documented (H)	1 (H)
<b>3.4.2. Environmental Innovation for green distribution, transportation, logistics</b>	Introduction of innovations in distribution, transportation, logistics process to reduce pollution, waste and carbon emissions; and to use fewer natural resources	Environmental innovation for transforming to green distribution, transportation, logistics	Is there any innovation introduced for transforming to green distribution, transportation, logistics?	a. Not implemented/not applicable (L)	0 (L)
				b. Intend to introduce, have documentation to support this intent (L)	0.5 (L)
				c. Planned for next year; have written documentation to support this (M)	0.75 (M)
				d. Introduced and impact documented (H)	1 (H)
<b>3.4.3. Environmental innovation for green consumption</b>	Innovations in the design of consumer products with lower environmental impacts, such as biodegradable products, recycled or reduced packaging, and low energy usage in the production process	Environmental innovation for transforming to green consumption	Is there any innovation introduced for transforming to green consumption?	a. Not implemented/not applicable (L)	0 (L)
				b. Intend to introduce, have documentation to support this intent (L)	0.5 (L)
				c. Planned for next year; have written documentation to support this (M)	0.75 (M)
				d. Introduced and impact documented (H)	1 (H)



## Tool 2: Inclusive business profile form

This form provides the profile of a business with an IB model.

The assessment of each business will be summarized in this IB profile by the IB support organization. This IB profile establishes the IB rating and the recommendation or for the IB steering committee to provide IB accreditation. The IB profile will be shared with relevant government agencies and business associations for exploring support opportunities for accredited inclusive businesses and will be published online at the discretion of the IB accreditation agency.

### 1. General information

<b>Legal name</b>	
<b>Industry/Sector</b>	
<b>Date of establishment</b>	
<b>Company type</b> (Please note if it is a women-owned/ women-led company, and other relevant characteristics)	
<b>Founder</b>	
<b>Contact email</b>	
<b>Website</b>	

### 2. Result of initial assessment and rating

<b>Legal name of the IB support organization providing the assessment</b>		
<b>Date of assessment</b>		
<b>Total score</b>		
<b>Rating</b> (Indicate Grade A or Grade B)	Grade A (IB-accredited)/Grade B (Potential IB)	
<b>Brief description of the IB model</b> (Include a description of the mode of low-income people engagement, products/ services, route to impact, working region, target group of low-income people)		
<b>Features of the IB model</b>	Year	Year
<b>0 Strategic intent</b> (Include a description of the business objective, impact objective and impact measurement and management)		
<b>1 Commercial viability</b> (Include a description of the company and its IB model, its revenue size, growth and profitability. Describe how it adheres to ESG standards)		

<b>Features of the IB model</b>	Year	Year
<b>2 Social impact</b> (Include a description of the number of low-income people reached, initiatives for women's empowerment, method to increase income, relevance of products/service for low-income people; sectoral impact, geographical impact, gender equality impact, impact on poverty reduction)		
<b>3 Innovation</b> (Include a description of business innovation, technological innovation, social innovation and environmental innovation which are introduced or being considered)		

### 3. Track company access to IB incentives

<b>Access to IB incentives</b> (List incentives received)	
<b>Access to other IB incentives</b> (List incentives received)	

### 4. Track of IB accreditation

Date of the IBSO nominating the company for IB accreditation to the IB accreditation agency:	
Date of receiving IB accreditation by the IB steering committee:	

## ANNEX II. Financial and non-financial incentives for IB and other impact enterprises in ASEAN

		IB specific	Impact specific	Can benefit inclusive businesses
<b>Financial incentives</b>				
<b>Tax exemptions</b>	<b>Additional tax holidays</b> for new investments with impact targets.	N/A	<p><b>Viet Nam:</b></p> <p>(1) Corporate income tax incentives for newly established enterprises or new investment projects in areas with difficult socio-economic conditions.<sup>19</sup> Including exemption from corporate income tax for 2 years and a 50% reduction in payable tax for the next 4 years.<sup>20</sup></p> <p>(2) Corporate income tax incentives for enterprises employing disabled war veterans and persons with disabilities: Enterprises that have 30% or more of their workforce being persons with disabilities, persons in recovery after drug rehabilitation, or persons living with HIV, and that have been certified by competent state agencies, will be exempt from corporate income tax.<sup>21</sup></p>	
	<b>Other tax exemptions</b>	N/A	<p><b>Cambodia:</b></p> <p>The IBeeC Secretariat has proposed to the Cambodia Board of Investment / Council for Development of Cambodia (CDC) to open up a unique clause set for Accredited Inclusive Businesses.</p> <p><b>Singapore:</b></p> <p><i>Target group: Intermediaries (Family office)</i></p> <p>Monetary Authority of Singapore (MAS) Enhanced Tier Tax Incentive Scheme: Scheme targets family offices where certain local spending requirement would be recognised as twice spent i.e. concessionary / deeply concessionary capital into blended finance structures to increase private sector investment in sustainable development.</p>	<p><b>Lao PDR:</b></p> <p>There are tax incentives for MSMEs.</p>

19 [https://mof.gov.vn/webcenter/portal/tttc/pages\\_r/l/chi-tiet-tin-tin-tuc-tai-chinh?dDocName=MOFUCM177470](https://mof.gov.vn/webcenter/portal/tttc/pages_r/l/chi-tiet-tin-tin-tuc-tai-chinh?dDocName=MOFUCM177470)

20 Clause 3, Article 20 of Circular 78/2014/TT-BTC (amended by Article 6 of Circular 151/2014/TT-BTC) <https://thuvienphapluat.vn/cong-dong-dan-luat/chinh-sach-uu-dai-voi-doanh-nghiep-moi-thanh-lap-tai-vung-co-dieu-kien-kho-khan-198573.aspx>

21 <https://asvho.vn/uu-dai-thue-voi-doanh-nghiep-su-dung-lao-dong-thuong-binh-va-nguoi-khuyet-tat-a1017.html>

			<p><b>Viet Nam:</b> Exemption from export and import duties<sup>22</sup> for:</p> <ul style="list-style-type: none"> <li>• Plant varieties, animal breeds, fertilisers and pesticides that are not produced domestically and need to be imported, as per the regulations of the relevant state management agencies.</li> <li>• Exported and imported goods for environmental protection, including:<sup>23</sup> <ol style="list-style-type: none"> <li>(i) Machinery, equipment, vehicles, tools and specialised materials that are not produced domestically and are imported: for the collection, transportation, treatment and processing of wastewater, waste, and emissions; for environmental monitoring and analysis; for renewable energy production; for pollution treatment and for response to and handling of environmental incidents.</li> <li>(ii) Exported products manufactured from recycling and waste treatment activities.</li> </ol> </li> <li>• Exported and imported goods to ensure social security, such as solutions to manage the consequences of natural disasters, catastrophes, epidemics, and other special cases.</li> </ul>	
<b>Subsidies</b>	<b>Accessing subsidies</b>	N/A	<p><b>Singapore:</b> <i>Target group: businesses</i> Ministry of Manpower (MOM):</p> <ol style="list-style-type: none"> <li>(1) The Enabling Employment Credit Scheme and</li> <li>(2) The Uplifting Employment Credit Scheme</li> </ol> <ul style="list-style-type: none"> <li>• Both schemes provide offsets for the wages of persons with disabilities and persons formerly incarcerated, who have been employed by businesses.</li> </ul> <p><b>Viet Nam:</b> Subsidies for prices and transportation costs of goods eligible for such subsidies, funded by the state budget.<sup>24</sup></p>	

<sup>22</sup> Article 16, Law on Export and Import Duties 2016 <https://thuvienphapluat.vn/chinh-sach-phap-luat-moi/vn/ho-tro-phap-luat/tu-van-phap-luat/44345/cac-truong-hop-duoc-mien-thue-xuat-khau-thue-nhap-khau-moi-nhat>

<sup>23</sup> <https://thuvienphapluat.vn/chinh-sach-phap-luat-moi/vn/ho-tro-phap-luat/tu-van-phap-luat/44345/cac-truong-hop-duoc-mien-thue-xuat-khau-thue-nhap-khau-moi-nhat>

<sup>24</sup> Decision 2197/QĐ-UBND on approving the level of price and transportation cost subsidies for goods listed for subsidies funded by the state budget <https://vbpl.vn/caobang/Pages/vbpq-luocdo.aspx?ItemID=50390#>

	<b>End-user subsidies</b>	N/A	<b>Viet Nam:</b> If IBs engage in electricity trading and have customers that are poor households, these customers will receive support for the payment of their monthly electricity bill (paid by the Government). <sup>25</sup>	
<b>Preferential treatment</b>	<b>Preferential access to public procurement</b>	N/A		<b>Lao PDR:</b> The policy under Law on MSME Promotion No. 16/NA, dated 07 July 2022, and the MSME Development Plan 2021-2025 supports MSME access to public procurement.
	<b>Concessions</b>	N/A		
	<b>Financial and loan assistance from government banks</b>	N/A	<b>Viet Nam:</b> (1) Investment and support for the development of medicinal herb cultivation in mountainous regions, creating opportunities for the ethnic minorities to escape poverty, is provided for by the National Target Programme for socio-economic development in ethnic minority and mountainous areas for 2021-2025. <sup>26</sup> The project includes linking farmers (in ethnic minority areas), enterprises, managers, scientists, and banks. The value chain includes gene conservation, breeding, cultivation, processing, production, and product consumption. (2) Policy benefits for forest planting projects that create jobs, increase income and contribute to stabilising the lives of residents in mountainous areas. <sup>27</sup> (3) Preferential loans from the Vietnam Environmental Protection Fund, at an interest rate of 2.6% per year, for organisations with investment projects implementing environmental protection activities, and national, inter-sectoral, inter-regional pollution prevention, control, and remediation activities, or addressing local environmental issues with a large impact scope.	<b>Lao PDR:</b> Two funds support MSME access to finance: (1) The MSME Promotion Fund, under Ministry of Industry and Commerce. (2) The Lao Access to Finance Fund, under the Bank of the Lao P.D.R. <b>Singapore:</b> Enterprise Financing Scheme – The SME Working Capital Loan, provided by Enterprise SG, is administered by participating financial institutions. Enterprise SG's risk share is at 50%, and is up to 70% for young enterprises.

<sup>25</sup> <https://luatvietnam.vn/tin-phap-luat/chinh-sach-ho-tro-tien-dien-cho-ho-ngheo-230-92870-article.htm>

<sup>26</sup> Phase I from 2021-2025, Circular No. 10/2022/TT-BYT dated September 22, 2022

<sup>27</sup> Decision 38/2016/QĐ-TTg dated September 14, 2016.

			<p>(4) Credit programme supporting production, processing, and consumption linkages with cooperatives, and supporting infrastructure modernisation that promotes high-quality, low-emission rice cultivation in the Mekong Delta (Decision No. 1490/QĐ-TTg of the Prime Minister).</p> <p>(5) Financial rewards for emission reductions for enterprises participating in the project, who have links with cooperatives or farmer organisations, and have the capacity to organise and supervise the rice production process in the linkage area (Decision No. 1490/QĐ-TTg of the Prime Minister).</p>	<p><b>Viet Nam:</b> Access to loans with preferential rates for small and medium IB enterprises, as part of the capital support for SMEs, is provided by the SME Development Fund. For instance, SHB Bank offers indirect loans from the SME Development Fund with preferential interest rates of 2.16% per year for short-term loans and 4.0% per year for medium- and long-term loans.<sup>29</sup></p>
<b>Insurance schemes</b>	<b>Government insurance schemes</b> that benefit inclusive businesses	N/A	<p><b>Viet Nam:</b> Policy benefits to support agriculture insurance as per DECISION 13/2022/QĐ-TTg of the Prime Minister: Implementation of agricultural insurance assistance policies.<sup>28</sup></p>	
<b>Grants, challenge funds and guarantees</b>	<b>Grants</b>	N/A	<p><b>Singapore:</b> <i>Target group: businesses</i></p> <p>(1) The VentureForGood Programme from raiSE: provides grants to Social Enterprises as well as businesses transitioning to becoming social enterprises.</p> <p><i>Target group: financial intermediaries</i></p> <p>(2) The Sustainable Loan Grant Scheme from Monetary Authority of Singapore: A grant to defray expenses of engaging independent service providers to validate the sustainability credentials of the loan.</p>	<p><b>Lao PDR:</b> The Business Assistant Facilities II and the MSME Promotion Fund provide matching grants for MSMEs.</p> <p><b>Singapore:</b> Enterprise SG has a range of financial support schemes to help businesses.</p>

28 <https://vanban.chinhphu.vn/?pageid=27160&docid=205763>

29 <https://www.enterprisesg.gov.sg/financial-support>



	<b>Challenge funds</b>	N/A	<p><b>Singapore:</b> <i>Target group: businesses</i></p> <p>Accelerator Programmes from raiSE: A type of “Challenge Fund” with a competitive open call for businesses and startups with solutions to address a particular thematic area. Shortlisted social enterprises receive funding and support for capacity building.</p>	
	<b>Guarantees</b>	N/A		<p><b>Lao PDR:</b> The process of establishing a credit guarantee corporation is under way.</p> <p><b>Viet Nam:</b> The Credit guarantee fund, as per Decree 34/2018/ND-CP of the Government on establishment, organisation and operation of credit guarantee funds for medium and small enterprises.</p>

		IB specific	Impact specific	Can benefit inclusive businesses
<b>Non-financial benefits</b>				
<b>Recognition and visibility</b>	<b>Public recognition of IBs and potential IBs by government</b> and private-sector agencies using the platform of IB awards.	<b>Viet Nam:</b> The IB Accreditation System by Ministry of Planning and Investment.	<b>Singapore:</b> The President Challenge Social Enterprise Award by raiSE. <b>Viet Nam:</b> A programme to evaluate and announce sustainable businesses in Viet Nam [Viet Nam Chamber of Commerce and Industry, Vietnam Business Council for Sustainable Development (VCCI-VBCSD) <sup>30</sup> ].	
	<b>Business awards</b>	<b>Cambodia:</b> The IB Award is offered to each IB accredited or potential IB company in an annual event. The first awards were given in 2022. <b>Thailand:</b> The AMCHAM Corporate Social Impact Awards, and the Women's Empowerment Principles Awards.	<b>Viet Nam:</b> VCCI's annual "100 sustainable businesses in Vietnam" award.	<b>Lao PDR:</b> The Lao Business Award.
	<b>International IB awards</b> (e.g. ASEAN IB awards)	ASEAN Inclusive Business Awards Regional Asia-Pacific Women's Empowerment Principles Awards	<b>Viet Nam:</b> The award "CSR and ESG Leading Enterprise".	
	Use of <b>official IB logo</b> and branding.	<b>Cambodia:</b> The IBeeC logo has been created and officially recognised, but not yet approved for use by accredited IBs.		
	<b>IB information registry</b>		Singapore: The raiSE - Social Enterprise Membership Directory.	

30 [https://vbcsd.vn/csi/cate.asp?cate\\_id=220](https://vbcsd.vn/csi/cate.asp?cate_id=220)

<p><b>Priority access to business support services</b></p>	<p><b>Preferential access to support services</b></p>	<p><b>Cambodia:</b> The IBeeC Secretariat has partnered with various organisations to support access to services such as Business Pitching (SuperStar) with Oxfam/Cambodia, and to conduct the second IB Accreditation round.</p> <p><b>Viet Nam:</b> DECISION 167/QD-TTg of the Prime Minister approving “2022-2025 programme to support private sector enterprises in sustainable business”.<sup>31</sup></p>	<p><b>Singapore:</b> raiSE - Members receive access to services from public agencies, like discounts for spaces (Housing Development Board), access to other grants (Nparks), etc.</p>	<p><b>Lao PDR:</b> Business Development Service Providers networks and SME Service Center</p>
<p><b>Access to firms and impact investors</b></p>	<p><b>Linking</b> with business development agencies and organisations, networks and investors.</p>	<p><b>Viet Nam:</b> DECISION 167/QD-TTg of the Prime Minister approving “2022-2025 programme to support private sector enterprises in sustainable business”.</p>	<p><b>Singapore:</b> raiSE is anchored at the seed or early stage of social enterprise growth, and has ties to impact investors.</p> <p><b>Viet Nam:</b> There is a supportive ecosystem for businesses to create impact in Viet Nam. For example, the “Leveraging Viet Nam’s Social Impact Business Ecosystem in Response to COVID-19” project.</p> <p>Viet Nam is also developing a sustainable business support ecosystem (DECISION 167/QD-TTg).<sup>32</sup></p>	<p><b>Lao PDR:</b> Policy under the MSME Development Plan 2021-2025.</p> <p><b>Singapore:</b> Enterprise SG is the national agency that supports SMEs. They have a network of local and overseas partners who contribute to efforts to enhance industry and enterprise competitiveness.</p>
<p><b>Priority in administrative processes</b></p>	<p>Accredited inclusive businesses may be <b>prioritised in administrative processes</b></p>			<p><b>Lao PDR:</b> Same process with MSME.</p>

31 DECISION 167/QD-TTg of Prime Minister approving “2022-2025 program to support private sector enterprises in sustainable business” <https://thuvienphapluat.vn/van-ban/Doanh-nghiep/Quyet-dinh-167-QD-TTg-2022-ho-tro-doanh-nghiep-khu-vuc-tu-nhan-kinh-doanh-ben-vung-502481.aspx>

32 Ibid.

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