

23/2/2023

ESCAP Committee on Trade, Investment, Enterprise & Innovation

Enabling business innovation for inclusive and sustainable development

Good morning Ladies and Gentlemen,

Viet Nam would like to express our sincere thanks to ESCAP for inviting us to join this event and giving us opportunity to share our work on promoting IB

**1. Inclusive business is an important source of innovation for the achievement of the SDGs.** IB are companies that make good business returns while at the same time creating impact for the poor, low-income people and vulnerable group.

IB companies are typically very innovative, because they need to reduce risks of business working in the markets of the poor and risks of the poor in engaging with such companies. Innovation in IB is mostly related to how to integrate the poor, vulnerable group in the value chain. Though IB, women economic empowerment is also enhanced. Therefore, IB make remarkable contribution to not only poverty reduction, hunger eradication but also gender gap narrowing.

**2. In Viet Nam,** IB discussions are ongoing since 2012. The IB landscape study conducted in 2019 with the excellent support from ESCAP and iBAN, is a milestone for assessing the IB market in our country. The enabling environment, and – most importantly for making policy recommendations on how to promote meaningful innovations for the poor.

The landscape study outlined 7 areas to promote IB in Viet Nam. These include 1) strategic commitment for IB and related policy work, 2) institutionalizing IB support, 3) IB knowledge sharing through business association, 4) setting up an IB company accreditation system, 5) IB business coaching, 6) establishing a risk reduction fund for impact investors on IB, and 7) promoting IB monitoring at national and regional (ASEAN) level.

This landscape study is a valuable fundamental source for us to design an IB promotion action plan under the national program on sustainable development of enterprises in private sector. Early last year the Program was approved by the Prime Minister and now we start to implement this Program in some key potential areas.

We cooperate with ESCAP & Bill & Melinda Gates Foundation to promote IB in agriculture & food system through IB raising awareness for public & private sector, IB training & coaching, designing IB toolkit setting up IB accreditation system based on ASEAN IB guidelines which supported by ESCAP.

Besides, we also cooperate with UNDP to support social impact business, with USAID to promote ESG in small & growing business, those are closely aligned with IB agenda.

- Promoting IB is a long & meaningful journey, there are still many challenges ahead. Yesterday, at the IB EGM meeting, I have highlighted 3 main challenges in Viet Nam: First, The first is limited knowledge & experience on IB for both public & private sector
- Second, in VN, IB accreditation system is not yet developed – The accreditation should be accomplished with other stakeholders such as investors & international benchmark
- And thirdly, there's not yet any financial incentives for IB in Viet Nam. It may reduce motivation for SME to follow IB.

So I would like to recommend ESCAP to continue and formalize a longer-term commitment for IB work.

Build more evidence base of effective policies and facilitate knowledge sharing between policymakers in the Asia-Pacific region.

To support IB accreditation system to link to investment, to give credibility

ESCAP can help to explore a regional risk reduction fund for impact investors on IB or a regional fund for financing IB grassroots innovation in private sector

Market is also important for IB so ESCAP can support through coaching, IB branding or IB trade fair/exhibition/road show.

Thank you very much & wish you all good health and success

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