**Workshop on Inclusive Business Development and the Launch of the Korean Version of the Growing Inclusive Markets Report – Summary of proceedings and recommendations**

Grand Hyatt Hotel, Seoul

December 17, 2012

The workshop on inclusive business development took place on the 17th of December, 2012 at the Grand Hyatt Hotel, Seoul. The workshop was co-organized by the United Nations Development Programme Seoul Policy Centre in partnership with the Global Compact Korea Network and with support of the Private Sector Division in New York (Sahba Sobhani). The workshop aimed at sharing knowledge of the UNDP and private sector companies from several countries on inclusive business development to promote the engagement of Korean private sector in this practice.

The workshop opened with welcoming remarks from Ambasador Chul Ki Ju, Secretary General of the Global Compact Korea Network, and Anne-Isabelle Degryse-Blateau, Director of the United Nations Development Programme Seoul Policy Centre. A presentation on UNDP experiences in inclusive business models was made by Sabha Sabhani, team leader of the Private Sector Division on the UNDP, manager of Growing Inclusive Markets and acting manager of Business Call to Action (BCtA). He highlighted, among other things, practical options and business models for working with the BOP.

Professor Moon Hiwhoa of Korea University’s Graduate School of International Studies made comments on the Korean version of the Growing Inclusive Markets Report. Afterwards the Korean version of the Growing Inclusive Markets report, “Creating Value for All Strategies for Doing Business with the Poor” was launched.

The first panel discussion of the workshop was concerned with “Global Best Practices and Learning from other Countries”. During the panel, presentations were made by two international companies. Miho Suzuki, Marketing Manager of the Pre-Organic Program Office of ITOCHU Corporation Japan made a presentation on the company’s inclusive business model in India, providing an example of how the introduction of organic cotton improved livelihood of cotton producers at the same time responding to the demand for organic clothing among Japanese consumers. Another presentation was made by Andy Schroeter, director of Sunlabob Renewable Energy, Ltd., Lao PDR, on best experience of the inclusive business model in the energy sector. The Lao-based company currently implements projects around the world using inclusive business models. In his presentation, Mr. Schroeter also spoke about the role of financing of the inclusive business models. He explained that microfinance could not help the people in Lao PDR meet their energy needs and leasing proved to be a better option. He also highlighted the challenges in getting the financing to support the development of inclusive business. Toshyia Nishigori, Policy Specialist of the UNDP Tokyo office shared UNDP Tokyo’s patient work on advocacy in the area of inclusive business models, with different partners, from the private sector to government entities resulting in a progressive uptake by a number of Japanese companies adopting these practices and joining initiatives such as the BCtA.

The final panel discussion was concerned with the “Opportunities and Challenges of Inclusive Business Development with the Korean Private Sector”. The discussion was moderated by Professor Moon Hyoung Koo of Korea University Business School. Several Korean companies shared their experiences in reaching out to developing countries. Presentations made by Jae-Min Shin, manager of Hyundai Motor Group’s Corporate Responsibility Team, Dohyoung Ricky Kim, CEO of AIDGREEN, Sang Chul Han, Senior Manager of KT’s Communication Office, Jeongtae Kim, Vice President, MYSC and Jae Hyun Jeong, Public Private Partnership Office of KOICA. Most examples provided were based on CSR activities. The presenters however shared their interest in developing activities using inclusive business development model. They also recognized the opportunities that exist in further engaging the BOP in the future. KOICA highlighted the importance of systematic M&E, in particular ex-post to assess the sustainability of projects and draw lessons for future projects. She also stressed the importance of thinking and investing over the long term versus quick short term wins.

Mr Sobhani, Ms Blateau, Mr Nishigori and Mr Izmestiev met the following day with Korea Exim Bank, KOICA (Development Alliance Korea Secretariat) and MOFAT.

* Exim Bank acknowledged that there were a number of common areas , which could be further explored;
* KOICA indicated their interest in understanding better the ways to engage with the Private Sector in development;
* MOFAT indicated their interest in learning form the Japanese experience, in particular on the role of the Government in creating enabling environment for private sector engagement.

Based on the workshop and the follow up discussions the following recommendations have been put forth:

1. Organization of a study tour for relevant Korean government stakeholders (MOFAT, KOICA) and for selected and interested private sector companies as well as the GC Korean network to Japan to better understand the interactions and complementarity of roles between the different stakeholders to promote inclusive business. Target Q1 2013.
2. Organize one or two smaller thematic further discussions and knowledge sharing (including relevant experience from GIMS and BcTA companies) for Korean companies, Government and non-Governmental stakeholders on inclusive business models and enabling environment, and opportunities, business to business links etc. with the view to encouraging a few Korean PS companies to explore the possibility to go beyond CSR and develop some initial inclusive business model. In this regard, consider selected thematic initiatives, such as UNDP’s Better than Cash initiative where Korean companies have a natural comparative advantage. Target Q 2 or 3, 2013
3. Conduct review of challenges and opportunities for Korean companies to engage in the inclusive business development. Target Q 3 2013