



**Asia-Pacific
Economic Cooperation**

2015/SOM3/IEG/DIA/011

World Economic Forum's Grow Asia

Submitted by: WEF



APEC
PHILIPPINES
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**Public Private Dialogue on Inclusive Business
Cebu, Philippines
27 August 2015**



APEC IEG Public–Private Dialogue on Inclusive Business

Cebu City, Philippines, August 27th, 2015

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Agenda

1. The Role of Business
 2. The WEF Global Challenges
 3. Sample of specific initiatives:
 - 3.1. Inclusive Growth / Resp. Mining
 - 3.2. Int'l Trade and Investment
 - 3.3. Grow Asia
-



New Conditions and Direct Challenges

- Revenue pressures from **financial markets**
- Beyond **corporate social responsibility**
- **Public trust** erosion; financial crisis
- Increasing **stake of governments in private business** – ownership, regulatory influence
- Need for multi-stakeholder approach: business are expected to act as **corporate global citizens**, creating value beyond shareholders



World Economic Forum The Role of Business

The environment in which today's businesses operate has undergone a fundamental transformation in the last two decades:

- Role of business remains constant: to provide goods and services
- But expectations placed on business have suffered dramatic changes: long-term success of a business fully depends on its ability to create future value not only for shareholders but for all of its stakeholders*


Traditional view: "The Business of Business is Business" (M. Friedman)

Today: The challenge for business is to increase value for all stakeholders, while safeguarding the societal ecosystems in which it operates. Long term success of a business depends on its ability to create value for decades




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World Economic Forum The Role of Business



Global Agenda Council on the Role of Business



- Build **broader value-creation considerations** into **corporate missions**, strategy and operations
- Recognize shareholders and executives in ways that **reward long-term value creation**
- Empower boards of directors with a specific mandate of **fiduciary duty**, which ensures that value creation includes the broader stakeholder community, and that the **social and ecological impacts** of the company's activities are included
- Incorporate **social and environmental metrics** into corporate accounting, balance sheets and market disclosures
- There need not be calculative trade-offs between what is socially desirable and what is economically sound for a Corp.
- Create the **incentives** to ensure that institutional investors support long-term economic and social value-creation

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2. The Global Challenges

A comprehensive framework on a multi-stakeholder approach to the role of business

World Economic Forum

The Global Challenges

- In recent years, many steps have been taken to reinforce the Forum's role as a catalyst for informal dialogue and collaboration, strengthening its role as a platform for public-private cooperation. A host state agreement with Switzerland confers to the Forum the status of an international institution for public-private cooperation.
- In 2014, the Forum decided to place special emphasis on several global challenges. Each such Challenge Initiative involves one or more major core projects, often in partnership with international organizations.
- As they engage in the challenges, CEOs, Ministers, heads of international organizations and top civil society and academic experts are encouraged to think about the overall state of multi-stakeholder cooperation in this respect, assuming a sense of collective and inclusive stewardship, and engaging in an ongoing dialogue to help the international community set priorities and align efforts across relevant initiatives.
- Each Global Challenge Initiative aspires to serve the international community by serving as a platform for strengthening particularly the public-private, interdisciplinary and cross-industry dimension of progress.



The World Economic Forum's first nine Global Challenges



Employment, Skills and Human Capital



Environment and Resource Security



Agriculture and Food Security



Economic Growth and Social Inclusion



The Future of Global Financial System



The Future of the Internet



Global Gender Parity



International Trade and Investment



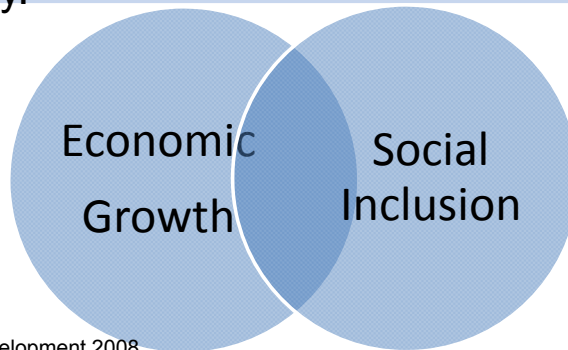
Long-term Investing, Infrastructure and Development

3.1. Inclusive Growth: Economic Growth and Social Inclusion

Benchmarking policies that influence how growth translates into progress in living standards

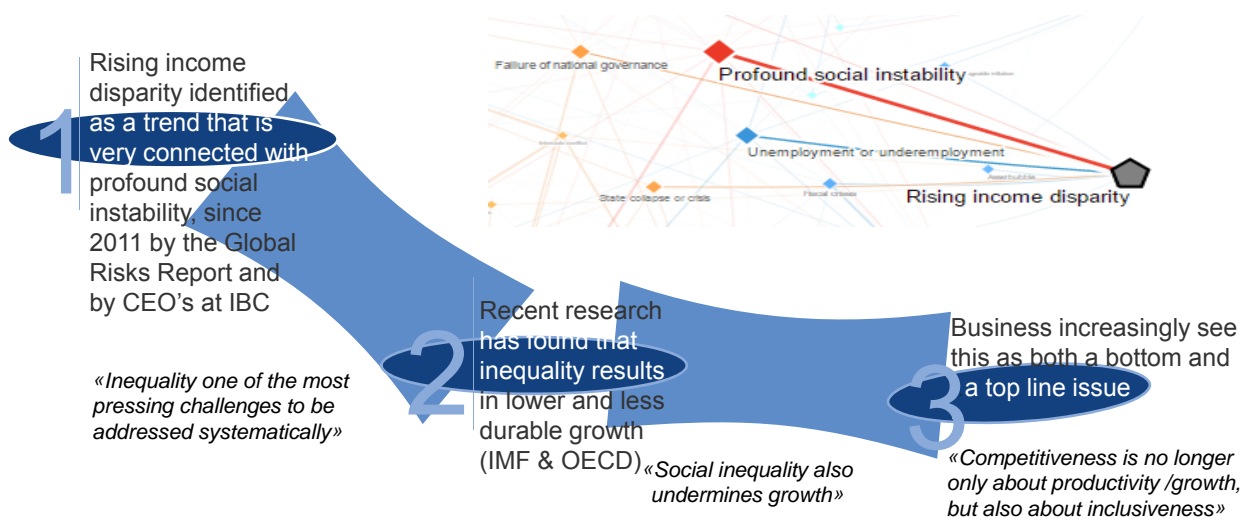
What is Inclusive Growth?

Generally defined as “economic growth that is **sustained** over decades, is **broad-based**, creates **productive employment opportunities** for a great majority of the country’s working age population, and reduces poverty” and inequality. ¹



¹ Commission on Growth and Development 2008

The World Economic Forum and Inclusive Growth – Why?



The World Economic Forum and Inclusive Growth – How?

Global Challenge on Economic Growth and Social Inclusion



World Class Benchmarking Reports

The Global Competitiveness Report Series

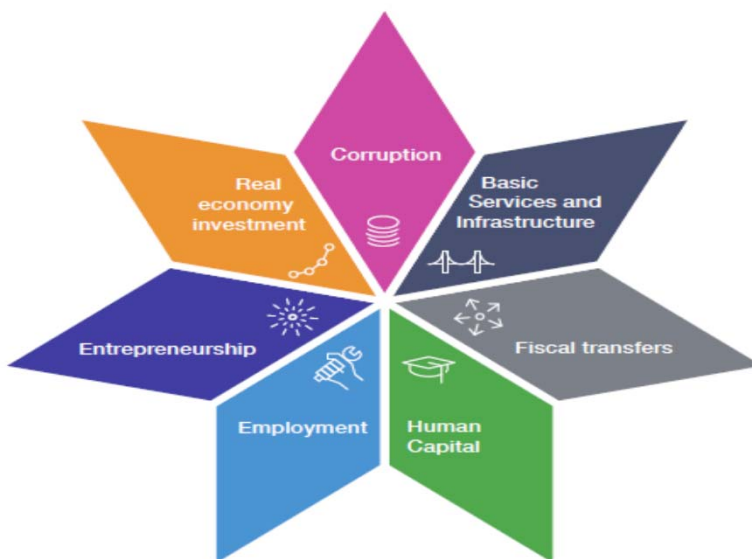
New Research:

Upcoming report and tool on benchmarking Inclusive Growth and Development

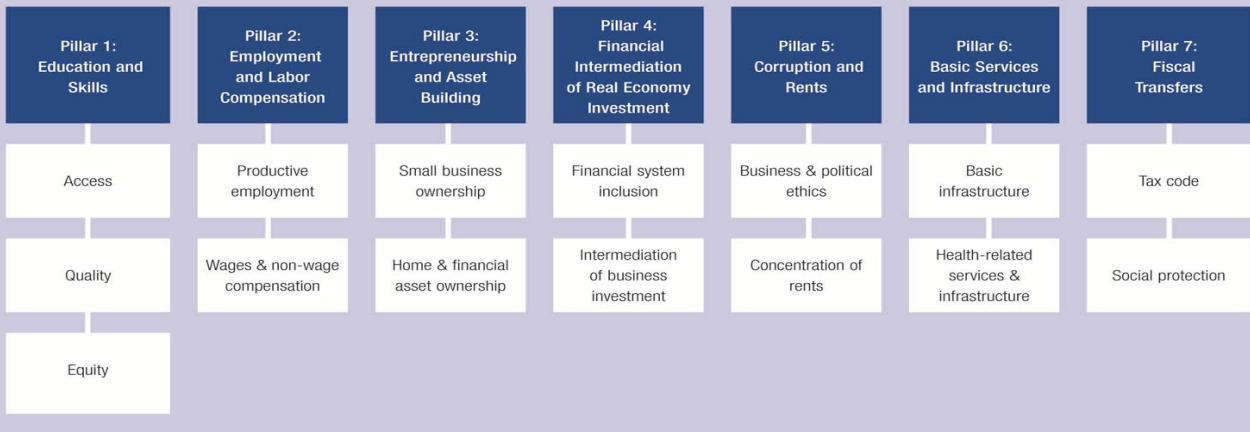
Global Dialogue Series: running through Forum events and virtual platforms, providing input into the Forum's global and regional programming, as well as international dialogues such as the G20



Inclusive Growth and Development: Key Policy Levers



Inclusive Growth and Development report: Key Policy Levers



Responsible Mineral Development Initiative (RMDI) Mineral Value Management

Series of Country and Regional 'RMDI platforms' which bring together the highest levels of Government, senior executives of some of the world's largest extractives companies and key members of civil society, to discuss how value is created within mining, identify key areas of priority for the country and implement a process to track and measure initiatives aimed at addressing these priorities.



- Interaction
- Global survey on Mineral Value Management, Nov/Dec 2012
 - Mineral Value Management event, WEF Annual Meeting, Davos, Jan 2013, 2014
 - Mineral Value Management, private event and report launch, Lima, Apr 2013
 - Country RMDI roundtable in Peru, Lima, April 2013
 - Country RMDI roundtable in Mongolia, Ulaanbaatar, September 2013
 - Country RMDI roundtable in Mozambique, Maputo, Nov 2013
 - Country RMDI roundtable in Guinea, Conakry, 2014
 - Country RMDI roundtable in Dar Es Salaam, Tanzania, March 2015





3.2. International Trade and Investment

Shaping economic growth, development and industry competitiveness

Trade and Investment at WEF. Two main elements:



Implementation



Global Alliance for Trade Facilitation

- Supports practical trade reforms in developing / emerging economies
- Builds on longstanding Enabling Trade programme of implementation support, business case studies, dialogue, measurement
- Negotiating ~\$70m / 7 year funding arrangement

Action

The E15 Initiative

- Mid-long term strategic proposals for trade and investment policy
- World's highest-level trade and investment brainstorming exercise
- Exceptionally substantive content from very engaged world-class experts

Agenda Setting

Policy



 The **E15** Initiative | STRENGTHENING THE GLOBAL TRADE AND INVESTMENT SYSTEM



www.e15initiative.org

Scope

Trade and investment issues requiring international cooperation

IMPROVING GLOBAL TRADE ARCHITECTURE	KEY GLOBAL PRIORITIES	SECTORAL CHALLENGES
Functioning of the WTO	Competition Policy	Agriculture and Food Security
Global Trade Architecture	Global Value Chains	Clean Energy Technologies
Regional Trade Agreements	Investment Policy*	Extractive Industries
Regulatory Coherence*	Climate Change	Fisheries and Oceans
Subsidies*	Industrial Policy	Services
	Innovation	
	Finance and Development	

*Cross-cutting Task Force

Global Alliance for Trade Facilitation



Steering Group: donor countries (US, UK, Canada, Germany) plus up to 9 Businesses

Secretariat: World Economic Forum, the International Chamber of Commerce and the Center for International Private Enterprise

The Global Alliance for Trade Facilitation will provide a unique public-private platform to support implementation of WTO's Trade Facilitation Agreement ("TFA") — bringing together leading donors, local and global businesses (meaning private sector expertise and resources), and international institutions to support commercially-meaningful and development-focused trade facilitation reforms.

Global Dialogues	Regional Dialogues	Country Dialogues	Country Partnerships	Evaluation
- Forum events - Other global events	- Forum events - Bespoke convening	- 10x countries x 2-3 workshops / year	- Local associations - Subgrants	- ETI
Focus Countries:	2013/14 Brazil	2014/15 Mexico	2015+ (TBC) Nigeria India Egypt Kenya Pakistan	2015+ (TBC) Mexico Colombia Bangladesh Mongolia Ghana Ethiopia Tanzania Indonesia Vietnam Philippines Brazil Zimbabwe Sri Lanka Ukraine Nepal

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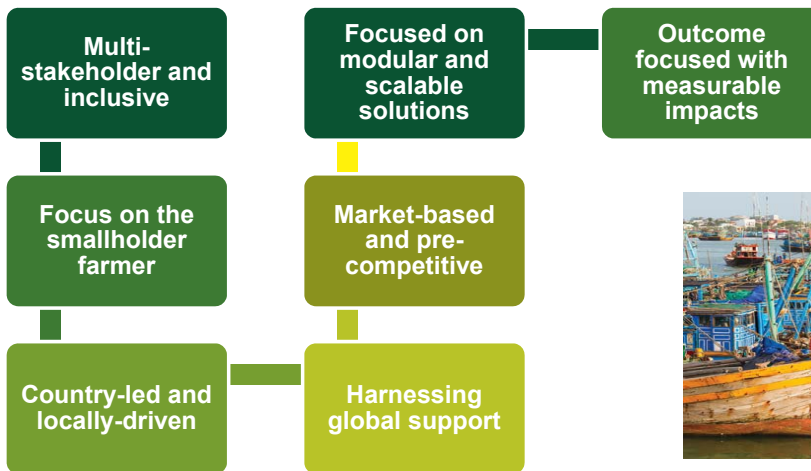


3.3. Grow Asia

Multi-stakeholder partnership in support of agriculture development in the ASEAN region

Grow Asia's Aim

Reach 10 million smallholders (men and women) by 2020 improving farm productivity, profitability and environmental sustainability by 20%



Grow Asia
Multi-stakeholder partnership



Multi-stakeholder partnership - strong business support



Grow Asia Business Council

1. Bayer Cropscience AG
2. Brambles Ltd.
3. Bunge Ltd.
4. Cargill Inc.
5. DuPont
6. Heineken
7. International Finance Corporation
8. Jain Irrigation Systems Ltd.
9. Lawson Inc.
10. Louis Dreyfus Commodities
11. Monsanto Company
12. Nestle
13. PepsiCo Inc.
14. Sime Darby
15. Sinar Mas Agribusiness & Food
16. Swiss Reinsurance Company Ltd.
17. Syngenta International AG
18. Unilever
19. UPL Ltd./Advanta
20. Visa

Grow Asia Business Council

21. Visy International
22. Wal-Mart Stores Inc.
23. Wilmar International Ltd.
24. Yara International ASA
25. Zonoco Group Co. Ltd.

Local company partners

- AWBA group
- Indofood
- BT Cocoa
- Tiga Pilar
- Bank BRI
- Band Andara
- PRIME Agri
- Olam
- Mondelez
- VinaCapital
- Kirana Megatara
- Nedcoffee

More than
one hundred
partners
including
sixty five
companies

Supporting Country Partnerships - 4 country partnerships, reaching 100,000 farmers. Cambodia and Thailand in plan



Vietnam

- Public Private Task Force formed 2010
- **Over 50 partners** including Ministry of Agriculture, 20+ global and 4 local companies, NGOs, other stakeholders
- **6 priority commodities** (coffee, tea, potatoes, corn, spices, fisheries)
- **Agri-finance** working group

Indonesia

- Partnership for Indonesia's Sustainable Agriculture (PISAgrO)
- Formed in 2011
- **30 partners** including 4 Ministries, 20+ companies and others
- **10 priority commodities** (cocoa, palm oil, dairy, rice, potatoes, corn, tropical fruits, soya, coffee, rubber)
- **Agri-finance** group

Myanmar

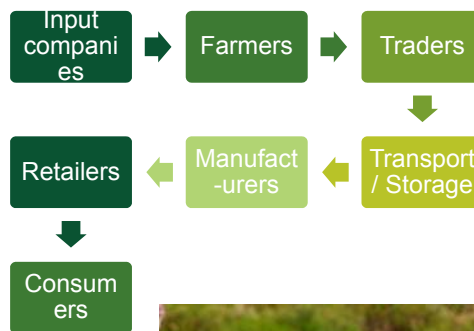
- Agriculture Network formed June 2013
- **40 partner** organizations including government, companies and others
- **4 focus crops** (coffee, dairy, horticulture, sugar)
- **3 issue groups** (agri-finance, mobile solutions and sustainable production)

Philippines

- Philippines Partnership for Sustainable Agriculture started in 2015
- **Focus crops include** coffee, coconut, corn, cassava, and fisheries
- **Issues of focus** include agri-finance

Business Model

Core focus on value chains & smallholder farmers



Projects in detail Coffee in Vietnam



Target: Engage 20,000 Vietnamese coffee farmers (5% of national total) within five years.

Results, in the 2014-2015 season:

- 75 demo plots in 4 provinces, 4,000 farmers
- increased
 - farmers' yield by 21%
 - net income by 14%
- reduced
 - water by 30%
 - fertiliser by 18-23%
 - carbon emission by 63%
- introduced new higher yielding coffee varieties
- Government of Vietnam set up a Vietnam Coffee Coordination Board (VCCB).
- Farmer groups set to enable provision of financing solutions.

Partners include:

- Nestle, Yara, Syngenta, Bayer, BASF, Kraft, Sara Lee,
- Utz, 4C, Rainforest Alliance, IDH, SNV
- MARD, IPSARD, WASI



Projects in detail Corn in Indonesia



Target: By 2020, train 5 million corn farmers on 1.25 million ha land. with productivity target of 8 tons/hectare

Results:

- Trained 34,100 farmers at 15 field schools covering 24,000 ha.
- One demo plot of GAP
- Increased
 - Productivity by 33%
 - Incomes by 44%
- Generated US\$83,000 private investment.
- Channeling US\$25,000 working capital credit to farmers

The group is also testing a new model on coconut-corn intercropping to enable income diversification.

Partners:

- BRI, Cargill, Syngenta, Monsanto
- Indonesia Ministry of Agriculture, Directorate General of Food Crops
- Mercy Corps



Knowledge and accountability
Developing and sharing best practice



Business Case
Business development, access and reputation



World Economic Forum

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