



Technical Assistance Report

Project Number: 46240
Regional–Capacity Development Technical Assistance (R-CDTA)
November 2013

Inclusive Business Support

(Cofinanced by the Government of Sweden and Credit Suisse AG)

Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
PSOD	–	Private Sector Operations Department
Sida	–	Swedish International Development Cooperation Agency
TA	–	technical assistance

TECHNICAL ASSISTANCE CLASSIFICATION

Type	–	Regional—capacity development technical assistance (R-CDTA)
Targeting	–	Targeted intervention (address geographic dimensions of poverty and inclusive growth)
classification	–	Multisector
Sector	–	Private sector development (private sector investments), social development (human development), economic growth (promoting economic efficiency and enabling business environment), gender equity (human capabilities), effective gender mainstreaming
Themes (subthemes)	–	Rural (high), national (medium), urban (medium)
Location (impact)	–	Cofinancing: Government of Sweden, Credit Suisse AG, Other partnerships: Inter-American Development Bank, KfW, Agence Française de Développement (French Development Agency)
Partnerships	–	

NOTE

In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. This regional technical assistance (TA) is a follow-up project to the TA on Promoting Inclusive Growth through Business Development at the Base of the Pyramid, which conducted market scoping studies for inclusive business in 10 developing member countries (DMCs) of the Asian Development Bank (ADB) in Southeast Asia and South Asia.¹ The TA also undertook a portfolio assessment of inclusive business in ADB nonsovereign operations, knowledge exchange, and due diligence background work for the establishment of an inclusive business investment fund.² The new TA will promote the implementation of the findings of the preceding TA by facilitating financing in inclusive business projects supported by ADB, and promoting policy work with selected governments as well as knowledge exchange on inclusive business. In doing so, the TA will directly contribute to poverty reduction and inclusive growth. The design and monitoring framework is in Appendix 1.³

II. ISSUES

2. Governments face fiscal and capacity-related constraints to creating decent employment and providing essential services at affordable prices and conditions for low-income groups. At the same time, the private sector can significantly contribute to the generation of jobs and income opportunities; and to alleviating the problems of insufficient affordable housing, health, education, transport, finance, information, and energy goods and services for low-income persons.

3. Inclusive business is an increasingly popular market-based approach that pursues profits while generating shared value with the poorer segments of society. An inclusive business is a commercially sustainable enterprise whose core business model is designed to provide shared benefits at scale while addressing the systemic poverty of low-income groups⁴ (such as those living on \$3 a day—about three-fifths of the population in developing Asia and the Pacific).⁵ Inclusive business approaches seek to maximize both profit and social impact. They integrate poor people into the mainstream economy as (i) consumers, by providing essential goods and services that meaningfully improve people's lives by addressing issues of access, affordability, quality, and choice; (ii) suppliers or distributors, by creating income-earning opportunities through incorporation of the base of the pyramid (lower income bracket) into their value chains; and (iii) employees, by creating decent jobs that benefit unemployed, underemployed, and low-income workers.

4. An example of an Asian inclusive business venture is provided by Manila Water, which supplies potable water at affordable rates to 1.6 million people in urban poor communities in the Philippines. In India, Simpa Networks has pioneered a program offering solar home systems to off-grid low-income households in the state of Karnataka. Latin America also offers many

¹ ADB. 2008. *Technical Assistance for Promoting Inclusive Growth through Business Development at the Base of the Pyramid*. Manila (RETA 6518, with major change in scope in 2010).

² The TA found that while the market for inclusive business in most Asian countries surveyed is nascent, promising investment opportunities are growing, and more ventures could be launched if technical support and new financing were provided. Governments are interested in the prospect of inclusive business creating jobs and providing services to poor populations. The TA project also found that governments need assistance to create a nurturing environment for inclusive business and to conduct social impact assessments. A wide range of investors, private companies, business associations, and development agencies would like development finance institutions to play a more active role in promoting inclusive business.

³ The TA first appeared in the business opportunities section of ADB's website on 22 October 2013.

⁴ The lower income groups are defined as those people living on less than \$3 a day. They make up about three-fifth of the population in developing Asia and the Pacific.

⁵ The \$3/day ceiling for poverty classification of inclusive business investments is indicative, and will be applied in a flexible way depending on the country's socioeconomic status and the social impact of the particular inclusive business venture.

examples of inclusive business, which is strongly supported by the Inter-American Development Bank. CEMEX, a large Mexican cement producer, provides low-income individuals with access to micro-loans, materials, and technical assistance to build or renovate homes. ANCALMO, a pharmaceutical company in El Salvador, produces powered micronutrients that help to reduce malnutrition among children in Central America.

5. Key challenges for inclusive business ventures in developing Asia and the Pacific include how to: scale up operations, increase social impact, improve links between investments and government targets for poverty reduction, and improve awareness of inclusive business among key constituencies. Inclusive business can contribute to all three pillars of ADB's inclusive economic growth strategic agenda by increasing economic opportunities, increasing access to those opportunities, and reducing poverty and vulnerability. Market scoping studies conducted by ADB in 10 DMCs show that inclusive business remains at a nascent stage of development in the region, but shows great potential for growth.

6. This TA is designed to create better conditions within which inclusive business can be identified, funded, implemented, and monitored with the ultimate aim of contributing to inclusive growth and poverty reduction in target markets in Asia and the Pacific. In particular, the TA will help (i) accelerate bankable inclusive business investment opportunities, (ii) leverage private sector capital alongside ADB initiatives, (iii) set impact measurement standards, (iv) promote an inclusive business "ecosystem" (business environment) in the public sector and enhance partnerships for inclusive business, and (v) reduce information and knowledge asymmetry for more effective (and targeted) private sector support for poverty reduction and inclusive growth in DMCs.

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Impact and Outcome

7. The impact of the TA will be new jobs and essential services provided by inclusive business ventures, thereby contributing directly to the reduction of poverty and vulnerability. The TA will promote gender equality through gender-sensitive investment design and impact assessment studies. It will also contribute to environmental sustainability by eventually supporting investment projects that create environmental benefits and promote climate change mitigation (e.g., in the area of renewable energy).

8. The outcome of the TA will be more inclusive business investment in DMCs brought about through (i) improvements in the commercial viability, business models, and social impact of inclusive business opportunities, and (ii) an improved enabling environment for inclusive business.

B. Methodology and Key Activities

9. The TA objectives will be achieved through four outputs.

(i) **Output 1. Pre- and post-investment technical support for inclusive business ventures.** Capacity building for inclusive business is necessary because the private sector often has limited understanding of the base of the pyramid market, and of tools to ensure systemic and large scale social impact. In addition, some transactions are considered time- and cost-intensive relative to size. Through this component, the TA will help prepare ADB investments in inclusive business by (a) mitigating pre-investment

risks through measures such as opportunity mapping, management and corporate governance improvements, inclusive business and value chain development, and pipeline generation; (b) supporting business readiness (e.g., marketing and stakeholder engagement, supply chain management, and customer outreach); (c) mitigating post-investment risks emerging from changing business environments; (d) providing implementation support (e.g., supporting supplier organization and management, logistics design, stakeholder integration and management, and skills and capacity development); and (f) developing personnel capacities, including providing coaching to senior company officials and key staff. The cost of capacity building activities for due diligence and selective post-investment support to inclusive business companies will be shared with those companies, with the precise share determined on a case-by-case basis.⁶ The TA aims to support at least 20 inclusive business projects financed by ADB and other investors within four years.⁷ This output is expected to produce more jobs and improve living conditions of low-income people. The inception report will include further criteria for company selection, expected impact chains, and exclusion criteria to assure that investments have measurable direct benefits on the poor, and can be classified as inclusive business.

- (ii) **Output 2. Ex-ante impact assessment provided to inclusive businesses.** Impact assessment will be carried out on ADB-financed and other inclusive business investments to improve project design and sector target setting for inclusive business. The output will be delivered in close cooperation with various ADB teams working on development effectiveness in the Independent Evaluation Department, Private Sector Operations Department (PSOD) and the Strategy and Policy Department. The TA will also promote harmonization of impact reporting for inclusive business with other development actors, thereby connecting to international peer networks addressing impact reporting. This output will also include training for bankers and impact investors.⁸
- (iii) **Output 3. Capacity building support to governments.** The TA will facilitate government actions in selected DMCs to improve the enabling environment for inclusive business through activities including (a) sector studies; (b) inclusive business training for government agencies, and workshops with impact investors and industry associations; (c) inclusive business target-setting in the context of government social development objectives; and (d) actions to remove public sector impediments to inclusive business. Work with DMC governments could also result in selected requests for sovereign investments by ADB, for example in agribusiness, urban development, education, or health, thereby facilitating new forms of public–private partnerships.
- (iv) **Output 4. Promoting knowledge development and exchange among the inclusive business investment community and development partners for developing member countries.** The TA will develop knowledge products and facilitate base of the pyramid investments and partnerships, including alliances with export programs (e.g., fair trade ventures); replicate promising inclusive business models and funds; and disseminate learning and good practices. It will also support a separate but complementary initiative between ADB and the Inter-American Development Bank,

⁶ The TA will fund work to identify and strengthen the inclusive business rationale of proposed projects. It will not cover commercial due diligence costs that are normally borne by a company borrowing from ADB. Complementary cash or in-kind contributions made by companies themselves will be provided in the form of parallel financing. Engagement of consultants or direct payment of services will take place through joint terms of reference with ADB. The ADB share of the pre- and post-investment support to inclusive business companies is not repayable to ADB. The detailed criteria for the counterpart contribution will be determined at the beginning of project implementation.

⁷ Investments may be made through ADB sovereign or nonsovereign operations. If there is an insufficient number of ADB inclusive business projects in need of TA support, programmed funding for outputs 1 and 2 can be used for supporting due diligence and impact assessment work of inclusive business companies that are financed by external impact investors, rather than by ADB.

⁸ Based on international experiences and indicators, ADB has, under Technical Assistance for Promoting Inclusive Growth through Business Development at the Base of the Pyramid (RETA 6518), proposed such a tool for Asia and tested it in the Philippines.

which arranges inclusive business exchanges among companies and governments of Latin America and Asia. The TA will provide corporate leadership training for Asian companies, and facilitate a regular inclusive business and social enterprise competition in Asia and the Pacific. The TA will also facilitate selective support for knowledge-sharing events, including participation costs of DMC experts and ADB resource persons, and selective contracting cooperation with other organizations.

10. The project outcome can be achieved if the global trend of increasing investment in inclusive business continues, and if ADB contributes more actively to this trend. It is assumed that governments in the region remain interested in improving the enabling environment for inclusive business investments. There are no additional environmental or social risks associated with this TA, because companies involved in the activities will be screened in accordance with ADB's environmental and social safeguards governing all investments.

11. The TA will support ADB financing of inclusive business ventures in all DMCs. However, the policy work of output 3 will focus on selected DMCs with strong capacity building needs for inclusive business development, especially in low-income and lower-middle-income countries in Southeast Asia.⁹

12. The TA will benefit from complementary inputs from various development partners. The Government of Sweden through the Swedish International Development Cooperation Agency (Sida), which supports inclusive business through its Innovations Against Poverty global challenge fund and its Business for Development Program, will cofinance the TA. It will also second a staff member to Sida's Asia regional office in Bangkok to liaise with ADB on inclusive business activities.¹⁰

13. Credit Suisse AG is considering the establishment of an inclusive business and social enterprise fund for Asia, and has offered cofinancing for this TA, and also proposed possible cofinancing of investments. In addition, Credit Suisse AG's Global Citizens Program will provide staff to inclusive business companies for up to 2 months to help build their capacity.¹¹

14. KfW has set up a regional social enterprise development fund, and a TA facility to support the fund. KfW intends to coordinate its activities closely with ADB. For example, it will parallel-finance certain TA activities, such as training, studies, and impact assessment work.

15. ADB exchanges knowledge and experience related to inclusive business with Agence Française de Développement (the French Development Agency); the Canadian Department of Foreign Affairs, Trade and Development; the Inter-American Development Bank; and Oxfam GB Asia, among others. These organizations wish to collaborate with ADB to support inclusive business through knowledge sharing and financing of projects. During TA implementation, ADB will also partner with leading domestic and international business associations, including the World Business Council for Sustainable Development and Philippines Business for Social Progress.

⁹ Sida has identified Bangladesh, Cambodia, and Myanmar as its focal countries, but will support, if required, policy work under this technical assistance project in any DMC in Southeast Asia.

¹⁰ Sida and Credit Suisse AG, in their cofinancing agreements, accept ADB's confidentiality regulations to deal with private sector projects.

¹¹ Cooperation with Credit Suisse AG does not involve any obligation for ADB or Credit Suisse AG to create or jointly finance an inclusive business project.

C. Cost and Financing

16. The TA is estimated to cost a total of \$3.6 million, of which \$400,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-V), \$3.1 million by the Government of Sweden, and \$100,000 by Credit Suisse AG. All funds will be administered by ADB. The private sector, KfW, and other development partners are expected to provide additional financing and in-kind contributions Appendix 2 provides the cost estimates and financing plan based on ADB's standard input costing; and the inception report will comprises indicative cost estimates based on outputs.

D. Implementation Arrangements

17. ADB will be the executing agency for the TA. Within ADB, an interdepartmental working group will be established to advise on TA implementation.¹² In addition, an external advisory group, comprised of cofinancing and parallel financing partners (e.g., Credit Suisse AG, KfW, and Sida); as well as collaborators on inclusive business knowledge work (e.g., Agence Française de Développement and the Inter-American Development Bank), will provide guidance and support.¹³ Members of this group will communicate regularly, both virtually and in person. In addition, the TA will support the organization of at least two workshops or conferences to disseminate results and promote inclusive business in DMCs. RSDD will decide on the use of TA resources in consultation with the interdepartmental working group.

18. The TA will be implemented from December 2013 to December 2017. TA outputs will be delivered through consultants hired either as individuals or firms. As inputs need to be provided in line with the needs of companies and public sector partners, sector-specific advisory services, legal advice, business development, and impact assessment advice cannot be predetermined and will be developed during the implementation of the project. Consultants will be engaged using ADB selection methods, including quality-based selection (for complex assignments with high downstream impact); fixed budget selection; and for small assignments with exceptional experience, single-source consultant selection. Recruitment of consultants will be in accordance with the Guidelines on the Use of Consultants by ADB (2013, as amended from time to time) and as specified in Project Administration Instructions 2.02¹⁴. The outline terms of references for consultants are in Appendix 3. The TA will be disbursed in accordance with ADB's *Technical Assistance Disbursement Handbook* (2010, as amended from time to time).

IV. THE PRESIDENT'S RECOMMENDATION AND DECISION

19. The President recommends that the Board approve ADB administering a portion of technical assistance not exceeding the equivalent of \$3,100,000 (equivalent of 20 million Swedish Krona) for Inclusive Business Support, to be financed on a grant basis by the Government of Sweden; and \$100,000 to be financed on a grant basis by Credit Suisse AG. If the Board approves ADB administering the technical assistance, the President, acting under the authority delegated by the Board, approves ADB providing the balance of the technical assistance not exceeding the equivalent of \$400,000 on a grant basis, for Inclusive Business Support.

¹² The inclusive business working group will comprise interested staff from the Independent Evaluation Department, the Office of Risk Management, the Private Sector Operational Department, the Regional and Sustainable Development Department, the Strategy and Policy Department, and regional departments.

¹³ Other development partners that wish to provide cofinancing or parallel financing can also be included in the advisory group.

¹⁴ ADB, 2012. Preparing for Consultant Recruitment. Project Administration Instructions. PAI 2.02. Manila.

DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
Impact New jobs created, and new essential services delivered by inclusive business ventures that engage the low-income persons (\$3/day) in the business process	The number of low-income persons (\$3/day) who are served by inclusive business approaches in ADB DMCs rises during project implementation by (i) creating at least 250,000 new jobs and improved livelihoods for low-income persons; and (ii) providing new social, municipal, and essential infrastructure services (e.g., health, education, energy, and transport) or essential goods (such as nutrition products) to at least 500,000 people	Government reports and targets for inclusive business in various countries Poverty assessments of other development partners and in ADB's country partnership strategies Impact assessments conducted under the technical assistance project	Assumptions The business environment enables more and better inclusive business investments. There is an increased appetite among investors, banks, and development partners to finance inclusive business ventures. Social enterprises scale up to become inclusive businesses, and deliver larger impact (reach) alongside larger returns. Risk Financial and economic crisis in partner countries reduces business investment and economic growth.
Outcome More investment in inclusive business in ADB DMCs	Increase by 50% of inclusive business projects in selected countries, of which at least 15 are from ADB (baseline for various DMCs: see inclusive business market scoping studies) Increase in the number of ADB inclusive business projects to an average of at least three per year from 2014 onward (baseline: from a total of 12 between 2000 and mid-2013) Increase in ADB's sovereign lending operations to projects with inclusive business context to at least five by 2017 (baseline: zero)	ADB website Midterm and final reports PSOD and ADB development effectiveness reports, and special reviews of ADB's work in inclusive business Investments approved by PSOD for 2014–2017, and investment pipeline Various country studies	Assumptions ADB operations department staff continue to source inclusive business investments. There is increased interest by impact investors and development partners in Asia and the Pacific. As part of the review of Strategy 2020, ADB signals support to inclusive business. ^a Governments implement policy changes in the enabling environment and target setting for inclusive business. Bankable private sector solutions for poverty problems in partner countries increase. Companies provide their own support for developing viable inclusive business initiatives.

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
			Risk Social enterprise models in countries in Asia and the Pacific do not scale up sufficiently to bankable inclusive business models
Outputs 1. Feasibility studies (pre and post-investment support) provided to inclusive business companies 2. Impact assessments provided to inclusive business companies 3. Increased awareness of inclusive business and its enabling environment by government and business associations in selected countries and sectors 4. Increased knowledge exchange among the inclusive business investment community and development	Tailored advice and technical support provided to at least 20 companies Up to eight pre-assessments (up to \$20,000); eight smaller due diligence reports (up to \$50,000); seven larger due diligence assessments (up to \$100,000); and three major studies (up to \$200,000) At least 50 companies and banks benefit from inclusive business training Study and workshop conducted on harmonizing the impact assessment tool Inclusive business impact assessments conducted for at least eight companies, three banks or financial institutions, and one ADB portfolio Three regional training events on impact assessment held with participants from companies, investors, and development partners At least 10 sector-specific studies on inclusive business contributions to sector targets At least 10 sector workshops Policy work conducted on target setting and other topics, and five studies undertaken in up to five DMCs One overview study and five country studies completed on inclusive business experiences in different countries Three studies undertaken and one workshop held on Latin American experiences Inclusive business events	Company due diligence reports Impact assessments on inclusive business companies Workshop or conference participation lists Impact assessment studies Impact assessment workshops Midterm and final reports Sector road maps and policy targets on inclusive business Country studies Overview study Knowledge products published on ADB's inclusive business website	Assumptions Companies provide their own support for developing viable inclusive business initiatives. ADB's Regional and Sustainable Development Department supports PSOD in improving its development effectiveness reporting to better track direct impact on the poor and low-income people (\$3/day poor). Risk During project implementation, support for expanding inclusive business is curtailed, because of their relatively small project size and other strategic considerations.

Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks
partners in Asia and the Pacific	<p>promoted in one country from the Organisation for Economic Co-operation and Development, three DMCs, and two regional studies on cross-country and regional comparisons</p> <p>Reports and market scoping studies</p> <p>ADB's webpage on inclusive business, updated regularly</p> <p>Challenge fund and competition established for scaling up social enterprises in the growth phase for inclusive business</p> <p>Three meetings of the TA steering committee or board convened</p>		
Activities with Milestones <ol style="list-style-type: none"> 1.1 Develop various business training courses based on sector and country requirements; implement at least two business training courses every year by 2015 1.2 Perform inclusive business due diligence for more than 20 companies, and prepare at least 15 of them for investment by ADB and others over the implementation period 2.1 Conduct selected meetings and studies to harmonize the impact assessment tool among partners in 2014 2.2 Conduct impact assessments in at least eight companies, five banks or funds, and one portfolio (ADB) over the implementation period 2.3 Conduct at least three training courses on impact assessment between 2014 and 2015 2.4 Conduct a gender impact assessment in 2016 2.5 Conduct midterm review and impact assessment of the program in end 2015 3.1 Conduct 10 sector studies in various Asian countries over the implementation period 3.2 Engage five countries for target setting in 2014 3.3 Facilitate inclusive business ecosystem development, learning from other countries through five regional workshops conducted from 2014 to 2016 4.1 Facilitate exchange on inclusive business with Latin America and the Inter-American Development Bank in 2014 and 2015 4.2 Promote new and intensify old partnerships on inclusive business in Asia. 4.3 Conduct one inclusive business or social enterprise competition each year from 2014 to 2016. 4.4 Hold three virtual or in-person meetings of the advisory group of development partners in 2014, 2015, and 2017. 4.5 Facilitate inclusive business seminars on a selective basis. 			Inputs <p>ADB: \$400,000 (TASF-V)</p> <p>External Sources:</p> <p>Government of Sweden: \$3,100,000</p> <p>Credit Suisse AG: \$100,000</p> <p>Note: The private sector will provide counterpart support in the form of counterpart staff and cofinancing studies. Government will provide counterpart support in the form of counterpart staff, secretarial assistance, and other in-kind contributions.</p>

ADB = Asian Development Bank, DMC = developing member country, PSOD = Private Sector Operations Department, TASF = Technical Assistance Special Fund.

^a ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN (\$'000)

Item	Amount
A. Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem of international consultants	106.5
b. International and local travel	61.5
2. Training programs and workshops	195.0
3. Miscellaneous administration and support costs	40.0
4. Contingencies	7.0
Subtotal (A)	400.0
B. Government of Sweden^b	
1. Consultants	
a. Remuneration and per diem	
i. International consultant	1,796.4
ii. National consultant	147.4
b. International and local travel	229.4
c. Reports and communication (including publications)	22.8
2. Training, seminars, and conferences	
a. Facilitators	15.0
b. Training programs and workshops	249.4
3. Surveys (and rewards, as part of challenge fund)	45.0
4. Miscellaneous administration and support costs (including administration fees and audit reports)	206.6
5. Contingencies	388.0
Subtotal (B)	3,100.0
C. Credit Suisse AG^b	
1. Training, seminars, and conferences (facilitators)	72.0
2. Miscellaneous administration and support costs	5.0
3. Contingencies	23.0
Subtotal (C)	100.0
Total	3,600.0

Note: The technical assistance (TA) is estimated to cost \$3.6 million, of which contributions from the Asian Development Bank (ADB), Government of Sweden, and Credit Suisse AG are presented in the table above. The private sector, KfW, other development partners, and the government will provide additional financing and in-kind contributions in the form of staff, office accommodation, secretarial assistance, domestic transportation, and other in-kind and financial contributions. The private sector will parallel-finance parts of the due diligence and impact assessment studies.

^a Financed by ADB's Technical Assistance Special Fund (TASF-V).

^b Administered by ADB. This amount also includes ADB's administration fee, audit costs, bank charges, and a provision for foreign exchange fluctuations (if any) to the extent that these items are not covered by the interest and investment income earned on this grant, or any additional grant from the Government of Sweden through the Swedish International Development Cooperation Agency and from Credit Suisse AG.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

A. Inclusive Business Coordinator

1. The inclusive business coordinator (international, 20 person-months, intermittent) will perform the following tasks:¹

- (i) Draw up the outline business plan for the technical assistance (TA) in close cooperation with ADB, the Swedish International Development Cooperation Agency, KfW, and eventually other TA cofinanciers.
- (ii) Develop inclusive business and social enterprise investment guidelines, and prepare decision papers for ADB and KfW to engage in due diligence and concept clearance for subproject finance.
- (iii) Help develop the impact assessment tool and conduct impact assessments.
- (iv) Engage in company due diligence work.
- (v) Comment on due diligence, impact assessment, sector studies, target setting, and knowledge products of other people in close cooperation with ADB.
- (vi) Assist ADB and KfW in designing and organizing workshops.
- (vii) Contribute to the establishment of local service environments in selected countries to enable the continuity of TA provision to inclusive business.
- (viii) Engage in training seminars as resource speaker and moderator.
- (ix) Write separate knowledge products upon the request of ADB.
- (x) Prepare an independent impact evaluation study on the results of the implementation of this regional technical assistance project.

2. The expert should have at least 10 years of experience in inclusive business development (or a similar field), especially with international and bilateral development agencies; and should have a proven track record on market scoping studies, impact assessment, and due diligence work. He or she should have at least 5 years of management experience, of which a minimum of 3 years should be on inclusive business teams. The consultant should have close contacts with companies.

B. Inclusive Business Facilitation and Due Diligence Consultants

3. ADB will hire various inclusive business facilitation and inclusive business due diligence consultants (individual or consulting firm, 96 person-months, intermittent) to perform the following tasks:

- (i) Prepare the outline for due diligence or post-investment support.
- (ii) Carry out due diligence on companies' funds from the perspective of both commercial profitability and social impact.
- (iii) Use ADB's impact assessment tool and assess the poverty reduction impact of the investment.
- (iv) Make recommendations to ADB staff, offices, and departments involved.
- (v) Prepare draft and final reports.

¹ Under a parallel financing basis, the Asian Development Bank (ADB) and the German development bank (KfW) intend to jointly hire the same coordinator for their parallel implemented but closely coordinated technical assistance projects.

4. The experts should have each at least 15 years of international development expertise, and a minimum of 5 years of experience in inclusive business development (or similar field) especially with international and bilateral development agencies. In addition, the experts should have at least 5 years of experience working with a private sector company, of which a minimum of 3 years is in the inclusive business field. They should have at least 5 years of experience in assessing the financial viability of companies. The consultants must be sensitive to social impact and knowledgeable on how to carry out poverty impact assessments.

C. International Inclusive Business Impact Assessment Experts

5. The various inclusive business impact assessment experts (individual or firm, 11 person-months, intermittent) will be hired to assist ADB in the following tasks:

- (i) Finalize the impact assessment tool and harmonize it for use in Asia and the Pacific by other investors and development partners.
- (ii) Conduct impact assessment training courses for companies and financial institutions.

The experts should have each at least 15 years of international development expertise, and a minimum of 3 years in impact assessment, especially for private sector. The consultants must be sensitive to social impact and knowledgeable on how to carry out poverty impact assessments.

D. Inclusive Business Policy and Knowledge Experts

6. The project will require various international or local inclusive business knowledge experts (individual or firm, 22 person-months, intermittent) in different sectors. The details of their terms of reference will depend on the demand from the private sector side and the challenges the company is facing. Expertise could be sought on sector studies, target setting, and company management. Experts could either be highly specialized or more generalist, and their inputs could be for varying lengths of time. The details of the assignments will be determined during project implementation. In general, the experts will perform the following tasks:

- (i) Assess the problems faced by a company in making its inclusive business model more profitable and more inclusive.
- (ii) Assess the ecosystem (enabling environment for private sector) in which the company works and the possible problems.
- (iii) Make recommendations for investors (including ADB) and agencies influencing the framework conditions of inclusive business (governments, associations, development partners, and others).
- (iv) Prepare knowledge products on inclusive business issues such as impact assessment, technology choice, market scoping, sector issues, and ecosystem development.
- (v) Present the findings in knowledge publications and workshops or seminars.
- (vi) Contribute to cross-regional and institutional learning.
- (vii) Assess inclusive business support in other institutions.
- (viii) Carry out other knowledge-generation and sharing work.