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SENATE

S.B. No. 584

RECEIVED BY:

INTRODUCED BY SENATOR RISA HONTIVEROS

**AN ACT
TO PROMOTE WOMEN'S ECONOMIC EMPOWERMENT THROUGH INCLUSIVE
BUSINESS TO SUPPORT AND ACCELERATE INCLUSIVE DEVELOPMENT AT THE
NATIONAL AND LOCAL LEVELS THROUGH PRIVATE SECTOR INVOLVEMENT**

EXPLANATORY NOTE

The bill seeks to create an enabling environment for government and businesses to adopt inclusive business models in their entire operations, focusing on key processes in their supply chains, especially processes that seek to increase the participation and benefit of women small scale producers and foster their economic empowerment. The Philippines is pushing for widespread adoption of Inclusive Business (IB) investments, particularly the inclusion of small community enterprises into the formal economy. Leveraging relevant discussions by the World Business Council for Sustainable Development in 2005, and the G20 and the Asia-Pacific Economic Cooperation (APEC), the Philippines has proactively advanced and is leading multi-partite discussions in setting policy direction toward the adoption of the IB agenda. As a starting framework, we consider the definition provided by the G20 Framework on IB:

"A private sector approach to providing goods, services and livelihoods on a commercially viable basis, either at scale or scalable, to people at the base of the pyramid by making them part of the value chain of companies' core business as suppliers, distributors, retailers or customers."

At the moment, over 300 million of the Association of Southeast Asian Nations (ASEAN) population still live at the Base of the Pyramid (BOP), even as 21.6% of the Philippine population of some 105 million Filipinos live in poverty.¹ IBs models provide an opportunity for poverty reduction through the deliberate engagement of businesses in leveling economic opportunities. Also, IB investments can help accelerate achievement of the government's target of reducing poverty incidence to 14% by 2022.

¹ https://www.adb.org/sites/default/files/project-documents/46240/46240-001-tacr-en_0.pdf

Businesses stand to gain from women's progress². Closing the gender gap in the global economy could increase global GDP by \$28 trillion by 2025. If women had equal access to agricultural resources, agricultural output in developing countries would increase by an average of 4%, reducing the number of undernourished people by as much as 17%. Companies with diverse workforces are: 22% more productive, have 27% higher profitability and 39% higher customer satisfaction.

The current administration has included IB as part of its poverty reduction and industry modernization agenda so as to expand economic opportunities to the underserved. IB's role is indicated in various documents: (a) Philippine Development Plan 2017-2019, "Chapter 9 - *Develop more inclusive business models and social enterprises*"; (b) President Rodrigo Duterte's 0+10 Socio-Economic Agenda, "5. *Promote rural and value chain development toward increasing agricultural and rural enterprise productivity and rural tourism*"; and (c) Department of Trade and Industry Secretary Ramon Lopez's main thrust, "4. *Push for more Inclusive Business models and Social Enterprises that will sustainably tighten the link of small community enterprises into the value chain of big businesses.*"

The specific inclusion of women small scale producers and women's economic empowerment is also aligned with the Implementing Rules and Regulations (IRR) of the Magna Carta of Women particularly in Section 26 which protects and promotes women's right to livelihood, credit, capital and technology: "[a]ll possible assistance shall be provided to women including returning women migrants in their pursuit of owning, operating and managing business enterprises towards the promotion of their economic rights and independence. Assistance shall focus on the availability of the following: credit, training and technology, information, packaging and marketing, and social protection." It also contributes to the achievement of Sustainable Development Goal (SDG) 5 on Gender Equality, specifically - "[u]ndertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws."

IB is differentiated from Social Enterprise (SE), wherein the first pertains to large scale corporations and seeks to refocus the traditional business model to integrate low-income communities in its business operations and as part of its value chain, through employment, distribution, retail, supply, as customers, or through development of the community. IB often partners with small community enterprises and/or producer communities in a transactional way. The integration of the poor in the IB value chain will

²Business call to action presentation

positively impact the country's economic development. On the other hand, SE is focused on the social value output of the business, and in turn can be part of the value chain of an IB Project, as either a distributor, retailer or supplier.

Further, as the 2017 ASEAN Chair, the Philippines developed the first IB policy to provide fiscal incentives to companies that integrate Micro-Small and Medium Enterprises (MSMEs) in their supply chain, and promote the use of efficient and automated systems and operations. Through the initiatives of Philippine Business for Social Progress, Philippine Business for the Environment, Makati Business Club, and Asian Development Bank, the Asian Inclusive Business Awards was launched and recognized and awarded the Inclusive Business model of Generika.³ Coffee for Peace was also a finalist for its work teaching coffee planting and processing skills to communities in Mindanao affected by armed conflict, illegal logging and mining.

Currently, the Philippines has shown leadership globally in setting the policy direction of Inclusive Business. Through the Board of Investments (BOI), it created the Inclusive Business Program Management Office (IB PMO) to pilot Inclusive Business models in the agribusiness and tourism sectors, which are the preferred areas for the 2017-2019 Incentives Priorities Plan (IPP). At present, there are five (5) registered BOI IB projects, and several more are expected to register within the year. Accordingly, an Inclusive Business Roadmap study has been conducted in 2019, and putting IB in the country's legislative agenda in the form of a bill is one of its recommendations.

The issues raised for writing a new law include the perceived narrow scope of IB PMO, such that the IB program does not have the authority to call on the other agencies to enable it to effectively pursue and create an enabling policy environment for Inclusive Business models. Also, only pioneer (i.e., new) programs or projects are given incentives and recognition under current rules. Existing Inclusive Business models/programs/projects already being implemented by companies are excluded.

Women small scale producers should be integrated to alleviate existing challenges based from the Gender Equality and Women's Empowerment (GEWE) Plan 2019-2025, such as difficulty of women to sustain and scale up their businesses, low access of women to land ownership, other resources and opportunities, and low access to appropriate financial instruments and products.

This bill has two desired outcomes: 1) to create enabling policy and economic environments conducive to private sector engagement in Inclusive Business models/programs/projects, and 2) support MSMEs, particularly women small producers,

³ Generika provided low-cost generic medicine in rural communities that have little to no access to basic health infrastructure. The generic pharmaceutical products were estimated to cost 85% less than their branded counterparts. Generika also provides free in-store medical consultations for such rural communities.

to enhance their productivity and capability to proactively engage with Inclusive Businesses. More importantly, the IB PMO needs to be expanded to be more systemic in order to facilitate a whole-of-government approach to supporting Inclusive Businesses, and to encourage the private sector to commit to adopting Inclusive Business models.

It is, therefore, imperative that the continuation of an Inclusive Business private sector approach be given the imprimatur of the State, and the full support of all its agencies.

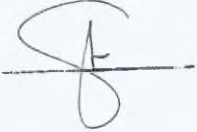
In view of the foregoing, the approval of this bill is earnestly requested.


RISA HONTIVEROS
Senator

22 JUL 14 AM 11:02

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Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:

1 Sec. 1. *Short Title.* – This Act shall be known as the “Inclusive Business Act.”

2 Sec. 2. *Declaration of Policy.* – It is the policy of the State to create enabling policy
3 and economic environments for inclusive business models to thrive and become the
4 standard for doing business in the Philippines. Section 9 and 20, Article II of the 1987
5 Constitution provide that it is the policy of “[t]he State to promote a just and dynamic
6 social order that will ensure the prosperity and independence of the nation and free the
7 people from poverty through policies that provide adequate social services, promote full
8 employment, a rising standard of living, and an improved quality of life for all;” and “[t]he
9 State recognizes the indispensable role of the private sector, encourages private
10 enterprise, and provides incentives to needed investments.”

11 Furthermore, the State commits to the Philippine Development Plan, to develop
12 Inclusive Business as one of the strategies to expand economic opportunities for the
13 population, and the national plans, such as the zero + 10-point Socio-Economic Agenda,
14 to promote rural and value chain development, and AmbisyonNatin 2040 in making
15 growth more inclusive and poverty-reducing.

16 Moreover, pursuant to international agreements and instruments, including the
17 Sustainable Development Goals, the State is one in promoting sustained, inclusive, and
18 sustainable economic growth, full and productive employment and decent work for all
19 women and men, and promoting inclusive and sustainable industrialization. A strong
20 Inclusive Business sector can significantly and systematically contribute to the
21 achievement of the country’s sustainable development goals, and the reduction of poverty
22 on a significant, systemic and massive scale.

1 The State recognizes the important role of the private sector in achieving inclusive
2 growth and sustainable development in the country. By adopting Inclusive Business
3 models, private sector companies can spur innovation, deepen investments in low income
4 communities, enable inclusive value chains, provide decent work, boost productivity,
5 enhance access to affordable and quality goods and services, and generate new and
6 higher income and livelihood for the poor, particularly marginalized women.

7 The State, likewise recognizes its role in facilitating an enabling business
8 environment so that the private sector may adopt and promote Inclusive Business
9 models. By incentivizing and ensuring ease of doing business for inclusive businesses,
10 their capacity to employ and support groups and sectors at the base of the pyramid
11 (BOP), and, consequently, the number of taxpayers are increased, with the end goal of
12 promoting social justice through Inclusive Business models.

13 Further, the State recognized in Section 2 of the Magna Carta of Women that the
14 economic, political, and sociocultural realities affect women's current condition, and
15 affirmed the role of women in nation-building. It shall promote empowerment of women
16 and pursue equal opportunities for women and men and ensure equal access to
17 resources, support services, and to development results and outcome.

18 Towards this end, the State shall pursue an inclusive growth strategy that supports
19 and promotes the development of a vibrant inclusive business sector in the country.

20 *Sec. 3. Definition of Terms.* – As used in this Act, the following terms shall mean:

- 21 a. Base of the Pyramid (BOP) – refers to the poorest segment of the
22 socioeconomic pyramid, which is currently 21% of the Philippine
23 population.
- 24 b. Decent Work - means productive work in which rights are protected, which
25 generates an adequate income, with adequate social protection. It also
26 means sufficient work, in the sense that all should have full access to
27 income-earning opportunities as defined by the International Labour Office
28 (ILO) in the Report of the Director-General: Decent Work during the 87th
29 Geneva Session in June 1999. Further, decent work should allow for a safe
30 working space for workers, particularly women who often experience
31 sexual violence in the workplace.
- 32 c. Enabling Business Environment – set of policy, institutional, regulatory,
33 infrastructure, and cultural conditions that govern formal and informal
34 business activities. This includes the administration and enforcement of
35 government policy, and national and local institutional arrangements that

1 affect the behavior of relevant actors who, together, comprise the
2 important players in inclusive business.

- 3 d. Inclusive Business (IB) – a business model approach that provides decent
4 work, respects Constitutional provisions protecting workers, economic
5 opportunities and livelihood, or provides relevant and affordable goods or
6 services, to poor and low income earners and to people at the base of the
7 pyramid in general, who are engaged as consumers, workers, owners or
8 business partners, and made part of the value chain and core business
9 operations of an IB Company; *Provided*, that the IB Company renders
10 direct contribution to improved living standards, poverty reduction, and
11 systematic inclusion in a manner that is sustainable, at scale or scalable,
12 and replicable;
- 13 e. Inclusive Business (IB) Community Partners – poor/low income and/or
14 marginalized sector that are part of the core business operations of an IB
15 Company, and are deriving social value from such participation. The term
16 also refers to social enterprises, cooperatives, non-government
17 organizations, small and medium enterprises, and other intermediary
18 organizations that facilitate partnerships and linkages between poor/low
19 income and/or marginalized sector, IB communities, and an IB Company;
- 20 f. Inclusive Business (IB) Company – a duly registered, commercially viable,
21 for-profit company that integrates an IB model or approach in its core
22 business operations, and likewise includes existing companies already
23 practicing an Inclusive Business model. However, in order to obtain the
24 benefits, incentives and support provisions, an IB Company needs to
25 undergo Registration or Accreditation, as may be provided under this law;
- 26 g. Inclusive Business (IB) Project – the part of the core business operation of
27 an IB company where the IB model or approach is applied;
- 28 1. Registered Project – upon approval of application by an IB Company
29 to receive incentives, as provided by the Board of Investments
30 (BOI); or
 - 31 2. Accredited Project – the act of application by an IB Company for the
32 use of the IB Logo and Branding, and other incentives.
- 33 h. Low-Income Communities – Households whose income fall between the
34 poverty threshold and twice the poverty threshold as defined by the
35 National Economic and Development Authority;

- 1 i. Marginalized – The basic, disadvantaged, or vulnerable persons or groups
2 who are mostly living in poverty and have little or no access to land and
3 other resources, basic social and economic services such as health care,
4 education, water and sanitation, employment and livelihood opportunities,
5 housing, social security, physical infrastructure, and the justice system, as
6 defined under Republic Act 9710, otherwise known as the “Magna Carta of
7 Women”
- 8 j. Performance-based Incentives – include both monetary and non-monetary
9 incentives to encourage performance and contribution to the
10 accomplishment of the project.
- 11 k. Poor – Individuals and households whose income fall below the poverty
12 threshold as defined by the National Economic and Development Authority
13 (NEDA), and/or cannot afford in a sustained manner to provide their
14 minimum basic needs for food, health, education, housing and other
15 essential amenities in life, as defined under Republic Act No. 8425,
16 otherwise known as the “Social Reform and Poverty Alleviation Act.” In
17 determining who constitutes the poor, the Multidimensional Poverty Index
18 determined by the Philippine Statistics Authority (PSA) shall be considered,
19 as provided by Republic Act No. 11291, otherwise known as the “Magna
20 Carta of the Poor;”
- 21 l. Social Value – the increase in the welfare of a society, or identified sectors
22 of society, that is derived from a particular course of action or activity;
- 23 m. Small scale producers - There is currently no internationally accepted
24 definition of small scale producers. In the Philippine context, small scale
25 producers include subsistence farmers, cottage industries, and other micro
26 enterprises as defined under the Magna Carta for Micro, Small and Medium
27 Enterprises (MSMEs).

28 These activities are supported by purchasing or procurement, research and
29 development, human resources development, and organizational development.
30

31 **CREATION OF A COORDINATING COUNCIL AND ESTABLISHMENT OF**
32 **NATIONAL ACTION PLAN AND STRATEGY FOR INCLUSIVE BUSINESS**
33 **(NAPSIB)**
34

35 *Sec. 4. Creation of the National Inclusive Business Coordinating Council.* – There
36 is hereby created the National Inclusive Business Coordinating Council which shall be

1 determined by DTI. The coordinating council shall be created to spearhead the
2 implementation of the National Action Plan and Strategy for Inclusive Business (NAPSIB).

3 Sec. 5. *Composition.* – The members of the coordinating council shall be the
4 following offices:

5 a. Chairperson: Secretary of the Department of Trade and Industry

6 b. Permanent Members are the following:

- 7 1. Secretary of Interior and Local Government;
- 8 2. Secretary of Agriculture;
- 9 3. Secretary of Labor and Employment;
- 10 4. Secretary of Social Welfare and Development;
- 11 5. Secretary of Socio-Economic Planning;
- 12 6. Secretary of Budget and Management;
- 13 7. Chair of Philippine Commission on Women
- 14 8. Three representatives from the private sector, which shall be
15 determined through a private-sector led initiative designed to
16 support IB, further provided that at least one female representative
17 is encouraged
- 18 9. One representative from women small scale producers' group.

19 Sec. 6. *Other Members and Assistance.* – The coordinating council shall call upon
20 other relevant agencies to provide assistance and resource on matters depending on the
21 sector and issue needed to be resolved. This includes NGAs and representatives from the
22 private and non-government development sector. Gender parity in the composition of the
23 coordinating council is highly encouraged.

24 Sec. 7. *Partnership with National Councils, Technical Working Groups, Local*
25 *Government Units (LGUs), Private Sector Organizations, and Civil Society Organizations.*
26 – The coordinating council shall partner with the Micro, Small and Medium Enterprise
27 Development Council, other National Councils, such as the National Competitive Council,
28 National Convergence Council, Ease of Doing Business, Anti-Red Tape Advisory Council,
29 and National Innovation Council, Technical Working Groups, LGUs, private sector
30 organizations, and civil society organizations, particularly those directly involved with IB
31 community partners, IB companies, and women rights organizations, in the
32 implementation, monitoring, and evaluation of the NAPSIB.

33 Sec. 8. *Commitment of Member Agencies to the National Action Plan and Strategy*
34 *for Inclusive Business.* – Each member of the coordinating council shall align their
35 programs, plans and strategies to ensure that the NAPSIB is fully implemented, anchoring
36 on similar objectives of promoting Ease of Doing Business and Efficient Government

1 Service Delivery, as provided in Republic Act 11032, or otherwise known as "Ease of
2 Doing Business and Efficient Government Service Delivery Act of 2018."

3 Sec. 9. *Organizing and Staffing Pattern for the Secretariat.* – The Chairperson of
4 the coordinating council shall prescribe and approve the organization and staffing of the
5 coordinating council secretariat in consultation with the Department of Budget and
6 Management (DBM). Gender parity in the composition of the organization staffing is
7 highly encouraged.

8 Sec. 10. *Powers and Functions of the coordinating council.* – The coordinating
9 council shall be the lead coordinating office and hub for the development and
10 implementation of the NAPSIB. The coordinating council shall be tasked to do the
11 following:

- 12 a. Draft, formulate and implement the NAPSIB, with a commitment to
13 regularly updating the same;
- 14 b. Monitor and assess the implementation of the NAPSIB and regularly
15 submit reports to the President and to Congress.
- 16 c. Ensure NAPSIB is aligned to and reflected in the Philippine Development
17 Plan (PDP).
- 18 d. Coordinate with national government agencies, local government units
19 (LGUs), LGU associations, technical working groups, national councils,
20 IBs, IB community partners, and other stakeholders in the development
21 and implementation of the NAPSIB and its component plans, programs
22 and projects;
- 23 e. Coordinate and align existing and relevant Roadmaps of the government
24 towards the objectives of the NAPSIB, with particular emphasis on the
25 integration of women small producers and women in value chains;
- 26 f. Coordinate IB-related studies and researches as a basis for
27 recommendation of sectors, taking into account the recommendations
28 related to integration and concerns of women small producers and women
29 in value chains, which will be areas for particular focus of the
30 implementation of the NAPSIB; *provided, further,* that any
31 recommendations made shall be presented to the coordinating council for
32 approval;
- 33 g. Provide business development, advisory, and facilitation services to IBs
34 and IB community partners, especially women small producers and
35 women in value chains, in coordination with relevant agencies and LGUs;

- 1 h. Coordinate and provide a service lane for processing IB projects. This
2 includes, but is not limited to, providing advisory and facilitation services
3 in the processing of relevant government permits, licenses, and other
4 requirements for the implementation of IB projects. The coordinating
5 council shall have the power to direct specific agencies to attend to the
6 bottlenecks and problems hindering the implementation and effectiveness
7 of IB projects;
- 8 i. Serve as the primary data source of IB issues and challenges that need to
9 be addressed to encourage broad participation and adoption by the
10 private sector, especially issues of women small producers and women in
11 value chains;
- 12 j. Coordinate and direct information, advisory, and training services for
13 government agencies and institutions to enhance their understanding of
14 and capacity to support IBs and IB community partners, especially women
15 producers and women in small value chains, in the implementation of IB
16 projects;
- 17 k. Coordinate with the Intellectual Property of the Philippines (IPO PH) in
18 assisting IB Companies and IB Community Partners in getting patents,
19 copyright, trademark, and other forms of pursuing protection of their work
20 and creation, provided that the Free, Prior and Informed Consent (FPIC)
21 is obtained;
- 22 l. Provide technical assistance and support to agencies in the formulation of
23 social value specifications in their procurement processes. The
24 coordinating council shall partner with non-government, research, and
25 training institutions for this;
- 26 m. Establish and implement the criteria, process and guidelines for the
27 accreditation of IB models, and establish an Accreditation Committee for
28 this purpose;
- 29 n. Establish and maintain an IB information registry;
- 30 o. Coordinate with donors, government financial institutions, commercial
31 and rural banks, and social impact investors on financing mechanisms for
32 IBs and IB community partners;
- 33 p. Initiate public-private partnerships to enhance the viability of IB projects
34 in identified priority geographic areas or industries, taking into
35 consideration the specific needs of women small producers and women in

1 value chains. The coordinating council may call on other relevant
2 agencies and other government agencies for this purpose;

- 3 q. Design and manage a campaign or program inviting young professionals
4 to work with IBs or IB community partners as community organizers
5 and/or social entrepreneurs;
- 6 r. Recommend, on behalf of the President, to other government agencies
7 and institutions various policies and programs to promote and support
8 IBs;
- 9 s. Integrate and coordinate existing initiatives for target IB Community
10 partners and IB Companies, such as the Rural Agro-Industrial Partnership
11 for Inclusive Development and Growth (RAPID Growth) 2019, National
12 Convergence Initiative, GREAT Women Project, Livelihood Seeding
13 Program – Negosyo Serbisyo Sa Barangay (LSP-NSB), Project
14 Convergence on Value Chain Enhancement for Rural Growth and
15 Empowerment (ConVERGE), Balik Probinsya Program, Coconut Farmers
16 and Industry Development Plan, the Sustainable and Livelihood Program
17 (SLP), Tulong Panghanapbuhay sa Ating Disadvantaged/Displaced
18 Workers (Tupad), Special Window and Interim Support to Nurture Hog
19 Enterprises (SWINE) Lending program, Supply and Value Chain Readiness
20 Program through Cooperatives, and other initiatives.
- 21 t. Integrate and maximize the use of trade preferences, such as the
22 European Union Generalised Scheme of Preferences Plus (EU GSP+) and
23 United States GSP, but likewise ensure compliance with conditionalities
24 provided, such as labor rights, human rights, environmental rights, good
25 governance, and the like.
- 26 u. Encourage the academe and research organizations to include IB in the
27 curricula of schools, and assist in developing processes and tools for
28 program performance assessments and IB social impact analysis; and
- 29 v. Through the Legislative Executive Development Advisory Council
30 (LEDAC), recommend to Congress legislation to promote and support IBs.
- 31 w. Through the PCW and in-line with its Gender Equality and Women
32 Empowerment (GEWE) Plan, provide technical assistance to facilitate and
33 increase compliance of women small scale producers and women in value
34 chains to business regulatory frameworks and standards, Institutionalize
35 sex disaggregated data collection and analysis for gender-responsive and
36 evidence-based policymaking and program development on IBs and for

1 women small scale producers and women in value chains, ensure and or
2 facilitate participation and representation of women small-scale
3 producers and women in value chains in trade or business negotiations
4 and develop and/or enhance the delivery of programs aimed at increasing
5 access of women small scale producers to social protection.

6 x. All other functions in the implementation of the law.
7

8 **INCLUSIVE BUSINESS ACCREDITATION** 9

10 Sec. 11. *IB Accreditation Criteria.* – The coordinating council, in consultation with
11 resource persons from private sector industry groups, the academe, and relevant social
12 development institutions, particularly women’s rights organizations, shall establish a
13 system and criteria for accrediting IBs based on their IB model and project. Accreditation
14 of IBs may consider, but is not limited, to the following criteria, to be developed further
15 by the coordinating council:

16 a. Social Value:

- 17 1. Reach – The IB project of the company must reach or target to
18 reach poor/low income or marginalized populations at scale,
19 particularly marginalized women.
- 20 2. Depth – The IB project of the company must lead to measurable
21 improvements in the quality of life for poor/low income or
22 marginalized populations, particularly marginalized women, through
23 income generation or access to relevant and affordable services and
24 products.
- 25 3. Systemic Impact – The IB project of the company must address
26 relevant poverty dimensions and provide a systemic contribution to
27 poverty reduction and social inclusion.

28 b. Innovation and Sustainability:

- 29 1. Innovation – The IB project of the company must include innovative
30 features that lead to improvements in areas such as but not limited
31 to, profitability, governance, social value, social equity, gender
32 equality, and environmental sustainability.
- 33 2. Financial viability of the company – The company that adopts the
34 IB model must be financially viable.

1 3. Financial viability of the company's IB model – The IB project of the
2 company must contribute substantially towards the financial viability
3 of the company with positive returns on investment.

4 The coordinating council Accreditation Committee shall propose for approval the
5 specific percentage weight and measurable indicators to be assigned to each
6 accreditation criterion, as well as any additional criteria. Criteria weights and indicators
7 shall be established on a per industry basis subject to approval. *Provided that*, the final
8 criteria approved for each industry shall be applied consistently to all applicants from the
9 same industry without exceptions.

10 Sec. 12. *IB Accreditation Process.* – The accreditation process shall involve the
11 following steps, in accordance with guidelines to be established by the coordinating
12 council.

- 13 a. Submission to Accreditation Committee of the completed application form,
14 business plan, and required supporting documentation by the company;
- 15 b. Initial interview and review of company documentation by the
16 Accreditation Committee;
- 17 c. Site visit by Accreditation Committee to validate the social and
18 environmental acceptability and objectives as described in the company's
19 application and business plan;
- 20 d. Evaluation and recommendation by the Accreditation Committee to the
21 DTI Executive Committee (ExeCom);
- 22 e. The DTI ExeCom decision to approve or disapprove company's
23 accreditation;
- 24 f. Accreditation for approved applications;
- 25 g. Regular monitoring and assessment;
- 26 h. Renewal of accreditation and continuation of project; and
- 27 i. End of project impact review and reporting.

28 Accredited IBs shall be subject to regular monitoring, reporting and assessment to
29 ensure that the company's IB project is being implemented according to the approved
30 business plan and achieving approved social value, innovation and sustainability target
31 specifications. Failure to pass the regular monitoring and assessment by the Accreditation
32 Committee may lead to the revocation of the IB's accreditation. Motions for project
33 extension will be considered on a per project basis.

34 The Accreditation Committee must disclose to companies with disapproved
35 accreditation applications the reason/s for disapproval to enable said companies to
36 improve or change their business projects accordingly. Companies with disapproved

1 applications may reapply for IB accreditation subject to the guidelines provided by the
2 coordinating council.

3 Notwithstanding the eligibility of a company, the Accreditation Committee reserves
4 the right to review the qualifications of the company at any stage of the accreditation
5 process if the Committee has reasonable grounds to believe that a misrepresentation has
6 been made by the Company, or that there has been a change in the company's capability
7 to undertake the project from the time it submitted its completed application. Should
8 such review uncover any misrepresentation made in the application, statements or
9 documents, or any changes in the situation of the company which will affect the capability
10 of the company to undertake the project so that it fails the accreditation criteria, the
11 Accreditation Committee shall consider the Company as ineligible and shall disqualify it
12 from obtaining accreditation to use the IB logo and branding.

13

14 **BENEFITS, INCENTIVES, AND SUPPORT FOR INCLUSIVE BUSINESSES**

15

16 Sec. 13. *Use of IB Logo and Branding.* – Accredited IBs may affix the Philippine IB
17 logo on related packaging, letterheads, brochures, leaflets, and other forms of
18 information and communication collaterals, in various media outlets, with permission from
19 and subject to the policies and guidelines from the coordinating council; *Provided, further,*
20 that upon the end of the project the logo may not be used further, unless an extension
21 of the accreditation or registration has been granted; and *Provided, finally,* that there is
22 no finding by the coordinating council that the project has failed to pass the regular
23 monitoring and assessment.

24 Sec. 14. *IB Information Registry.* – The coordinating council shall establish and
25 maintain an online public IB registry and database, which shall serve as the main
26 repository of information on IBs. The IB registry shall be disseminated nationwide;
27 *provided, further,* that the coordinating council shall call on the Department of Trade
28 (DTI) Negosyo Centers to promote ease of dissemination to LGUs and local communities.
29 To facilitate collaboration on potential and existing IB projects, the registry shall include
30 information and status on accredited IBs, IB community partners, and IB projects. It shall
31 also include information on business development service providers, financial service
32 providers, and social impact investors specifically catering to IBs and IB community
33 partners.

34 Sec. 15. *Government Support for IB Community Partners.* – IB Community
35 Partners, which includes MSMEs, of accredited IBs shall be prioritized by government
36 agencies in the provision or distribution of relevant government support programs and

1 services that may improve or strengthen their capacity and resources to effectively
2 engage in the IB project. These government programs and services include, but are not
3 limited to, public infrastructure, shared service facilities, enterprise capacity building and
4 training support, technical assistance developing micro-equity finance and business
5 models, marketing assistance, value chain financing, business incubation and technology
6 transfer, business facilitation, support for marginalized women, and women’s economic
7 empowerment. *Provided, further,* that potential and interested individuals and/or
8 organizations seeking to be IB Community Partners, shall likewise be capacitated by NGAs
9 and LGUs providing relevant assistance, trainings, support, and capacity building sought
10 by IB Companies. NGAs and LGUs may seek assistance with civil society organizations for
11 providing the same.

12 Toward this end, each member agency of the coordinating council shall formulate
13 and issue policies that shall facilitate these support programs and services, and
14 automatically provide information of the same to the IB Registry. It shall at the same
15 time, regularly update information on these support programs and services.

16 *Sec. 16. Incentives for Inclusive Business Projects.* – An IB Project may qualify for
17 incentives under this Bill and be entitled to the following for five (5) consecutive years
18 starting from the declared commencement date of the IB project, as approved by the
19 coordinating council:

- 20 a. Double Deduction for Labor Expense – Expenses incurred of a registered
21 IB Project for wages of persons hired from the identified government
22 databases, such recipients of government subsidy programs or those living
23 below poverty threshold or benefitting 50% women workers, shall be
24 deductible from the gross income for income tax purposes to the extent of
25 two hundred percent (200%) on the year the said labor expense was
26 incurred; provided, that the hiring is an incremental to the number of direct
27 labor.
- 28 b. Double Deduction for Training – Expenses incurred for training, identified
29 and approved by the BOI, given to persons hired and to be hired from
30 identified government databases and those living below the poverty
31 threshold, and part of IB community partners, especially those IB
32 companies providing capacity building needs of women small producers
33 and women in value chains, shall be deductible from the gross income for
34 income tax purposes to the extent of two hundred percent (200%) on the
35 year the said training expense was incurred.

- 1 c. Additional Deduction for Goods, Materials and Logistics Resources Sourced
2 from Micro, Small and Medium Enterprises (MSMEs) – A registered IB
3 Project may be allowed an additional deduction from the taxable income
4 of twenty-five percent (25%) of the cost of goods, materials and logistics
5 resources sourced from micro, small and medium enterprises, community
6 enterprises, social enterprises, especially from women small producers on
7 the year the said expenses were incurred.
- 8 d. Double Deduction for Research and Development – Expenses incurred for
9 research and development activities, especially in relation to women small
10 producers or women in value chains, identified and approved by DTI, shall
11 be deductible from the gross income for income tax purposes to the extent
12 of two hundred percent (200%) on the year the said research and
13 development expense was incurred.

14 *Sec. 17. Other IB Incentives.* – An accredited IB shall qualify for other incentives
15 made available by law, executive issuances, and local ordinances, as recommended and
16 in consultation with the coordinating council Provided that; double deductions of the same
17 or substantially similar incentives shall not be allowed unless explicitly allowed by law,
18 executive issuances, and local ordinances. Guidelines and procedure for availing of all
19 incentives shall be provided by the coordinating council.

20 *Sec. 18. Financial and Loan Assistance from Government Banks.* – Loan assistance
21 for the commercial production of a product of an IB Project, either locally or for export
22 and duly registered or accredited with the coordinating council Secretariat created under
23 this Act, shall be extended by government banks; provided that said IB Project meets the
24 criteria and would enhance the economy of the country and the community, provide
25 technical capacity, or generate regular and decent employment opportunities for the IB
26 Community; *provided* that the loans shall be guaranteed by the Small Business Guarantee
27 and Finance Corporation (SBGFC) and/or the IB Project.

28 The SBGFC shall offer its existing products, and further develop products to
29 encourage adoption of the IB model by both the IB Companies and Communities.

30 *Sec. 19. Government Agencies Assistance.* – In order to facilitate the granting of
31 financial assistance by any government bank, all government agencies concerned are
32 required to extend all possible assistance, such as the use of its facilities in the preparation
33 of project feasibility studies and evaluations, and products to be produced by the IB
34 Company or Community.

1 Sec. 20. *Non-diminution of workers' rights and benefits.* – Nothing in this bill shall
2 be construed as authorizing the diminution of workers' vested rights and/or benefits
3 provided for under the Labor Code or other laws.

4 Sec. 20. *Penalties.* –

- 5 a. Any IB company in violation of the use of the IB Logo and Branding, or
6 Section 13 of this Act, shall be fined Twenty Thousand Pesos (P20,000.00)
7 for the first offense; Fifty Thousand Pesos (P50,000.00) for the second
8 offense; One Hundred Thousand Pesos (100,000.00) and blacklisted from
9 accreditation for the third offense, subject to the guidelines of the
10 coordinating council; *provided, further,* that a company neither registered
11 nor accredited as an IB Company shall be penalized under letter b of this
12 section.
- 13 b. Tampering, alteration, forgery, and imitation of the IB Logo, and
14 misrepresentation thereof, shall be punished with a fine of not less than
15 Fifty thousand pesos (P50,000.00) but not more than One hundred
16 thousand pesos (P100,000.00) for each and every instance proven, without
17 prejudice to other penalties imposed by Republic Act No. 7394 or the
18 "Consumer Act of the Philippines;" *provided,* that the coordinating council
19 is hereby empowered, after publication, to increase or adjust the amount
20 of the fines prescribed in this section once every five (5) years in the amount
21 not exceeding *ten per centum* (10%) of existing rates.
- 22 c. Any IB company in violation of the rights of the community or any member
23 thereof shall be directly responsible for damages and blacklisted from
24 accreditation without prejudice to other remedies available under the law
25 especially those enacted laws protecting women and children as specified
26 under the Republic Act No 9710 or the "Magna Carta of Women."

27 Sec. 21. *Monitoring, Evaluation, Review, and Assessment.* – The coordinating
28 council, in consultation with IB Companies, IB Community Partners, NGAs, and LGUs
29 concerned as necessary, shall regularly monitor, evaluate, review, and assess the impact
30 and effectiveness of the NAPSIB.

31 The coordinating council shall, likewise, submit to Congress a periodic review on
32 the implementation of this Act at the end of the third year from the date of its
33 effectiveness and every year thereafter.

34 Sec. 22. *Nationwide Public Information Campaign.* – The coordinating council, in
35 coordination with its member agencies, the Philippine Information Agency, LGUs, private
36 agencies, and relevant organizations shall undertake a sustained, intensive, and targeted

1 Information campaign to promote greater awareness and practice of IB among key
2 stakeholders, particularly large and medium-size companies operating in priority
3 industries and marginalized areas and encourage the coordinated support of relevant
4 government agencies to IB investments.

5 *Sec. 23. Implementing Rules and Regulations.* – The coordinating council, as led
6 by the Department of Trade and Industry, in consultation with its members, shall issue
7 the rules and regulations necessary to implement the provisions of this Act ninety (90)
8 days from the effectivity of this Act.

9 *Sec. 24. Appropriations.* – The initial amount necessary for the implementation of
10 this Act shall be charged against the current appropriation of DTI; *provided*, that the
11 amount necessary for the continued implementation of this Act shall be included in the
12 annual General Appropriations Act.

13 *Sec. 25. Separability Clause.* – If any provision of this Act, or part hereof, is held
14 invalid or unconstitutional, the remainder of the law or provision not otherwise affected
15 shall remain valid and subsisting.

16 *Sec. 26. Repealing Clause.* – All provisions of laws, presidential decrees, letters of
17 instruction and other presidential issuances that are incompatible or inconsistent with the
18 provisions of this Act are hereby deemed amended or repealed.

19 *Sec. 27. Effectivity.* – This Act shall take effect within fifteen (15) days after its
20 publication in the Official Gazette or in a newspaper of general circulation.

Approved,