

DRAFT

Government of Malaysia

United Nations Development Programme

Entrepreneurial Skills: Empowering Rural Women

Project Document
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Abstract

This project aims to increase awareness and understanding of micro credit and micro financing of the public, with special attention given to the rural population and women. Key partners in this project involve the Ministry of Entrepreneur and Cooperative Development (MECD), the Malay Chamber of Commerce Malaysia (MCCM) and UNDP.

In addition to initiating a communication campaign on micro credit and micro finance in line with the International Year of Micro credit 2005 launched by UNCDF, this project also aims to equip targeted group(s) of women with entrepreneurial skills. The achievement of this objective will be carried out through a series of workshops, hands-on training which will include elements of ICT and business coaching to enable the identified groups of rural women to acquire skills and develop expertise in various micro enterprise aspects of branding, labelling, packaging, marketing and promotion. New ways of opening market access will be explored, such as the development of a website to strengthen business networking for the women.

Part Ia. Situation Analysis

Background

In 1998, the UN General Assembly designated the year 2005 as the International Year of Micro credit (IYM) in line with the UN Decade for the Eradication of Poverty, 1997-2006. This International Year of Micro credit is aimed at raising public awareness about micro credit and micro finance, in addition to promoting innovative partnerships among various development stakeholders such as governments, non-governmental organisations and the private sector.

In Malaysia, micro credit is available through the efforts of non-governmental organisations such as Amanah Ikhtiar Malaysia (AIM) established in 1987 and Yayasan Tekun Nasional or the Tekun National Foundation (TEKUN), a Limited guaranteed company formed under the Ministry of Entrepreneur and Cooperative Development (MECD) in 1998. Micro credit schemes such as AIM and TEKUN are based on providing loans, usually small loans in the first instance and when fully paid, a larger loan can be considered. For example, AIM's first loan is normally restricted to RM 999 and when this initial loan is fully paid, loans up to a maximum of RM 4,898 can feasibly be provided for successive loans (EPU and UNCT, 2005)¹.

The impact of micro credit is widely discussed in various literature and studies, lauding its positive impact on raising the standard of living of the rural poor, especially so among women and uplifting them from poverty. A study by Ismail (2001)² specifically conducted on the impact of AIM in Kedah and Trengganu showed that in general, the women under AIM schemes gained more confidence and independence.

However, it is believed that micro credit is not sufficient and that poor people may lack access to financial services which could raise their standards of living further and protect them against potential economic setback. The concept of micro finance encompasses a wider range of components such as loans (e.g. micro credit), savings, insurances, transfer services and other financial products targeted at low income clients.

The United Nations Capital Development Fund (UNCDF) advocates the need to support micro finance as access to financial services increases economic security and contributes to the achievement of the Millennium Development Goals (MDGs) by allowing people to:-

- Respond to economic opportunity.
- Invest in the future.
- Build assets and diversify income streams.

¹ EPU and UNCT (2005), "Malaysia: Achieving the Millennium Development Goals, Successes and challenges" UNDP.

² Rahmah Ismail (2001), "Economic and Social Impact of Amanah Ikhtiar Malaysia (AIM) Scheme: A Case Study in Kedah and Terengganu", *Humanomics*, Vol. 17(1/2), pp. 141-154.

- Cope with hardship and manage risks.

Complementing the concept of micro finance is the concept of micro enterprise. While the former refers to financial services, the latter complements by referring to the provision of non-financial services such as marketing and promotion to entrepreneurs. Related micro enterprise (such as management skill training) training is being conducted by the Malay Chamber of Commerce Malaysia (MCCM)³ for its members.

In Malaysia (and similarly in other countries), majority of micro credit recipients are women. As reported in the Malaysia MDG report, micro credit provided by AIM totalled RM 863 million to 490,000 borrowers, of which 90 per cent of whom were women. This project will focus on empowering women by looking at two areas relevant to enhancing women's entrepreneurial skills: - (1) raising awareness of micro finance, thereby enhancing the Malaysian Government's call to activate promote greater access to information on starting businesses among women as stated in the Third Outline Perspective Plan and (2) enhancing micro enterprise skills of a group of rural women identified in Malaysia.

The participants and beneficiaries of the project will be focused on rural low-income⁴ women, especially those with income below the national poverty line. The project will also target women in the food⁵ industry with existing businesses but require capacity building in terms of identifying the right business premise, adopting better technology, increasing production and better quality standardisation, branding, packaging and marketing in the second component of the project. The identification of participants in this project will be determined through the assistance of TWC members, in particular the Ministry of Entrepreneur and Cooperative Development (MECD) and the Malay Chamber of Commerce Malaysia (MCCM), AIM and TEKUN.

Objectives

The objectives of this project are as follows:

- To enhance the awareness and educate the public, especially rural women on the availability and advantages of micro credit and micro finance schemes in the country.
- To develop and enhance the capacity to support the empowerment of rural women entrepreneurs and at the same time to promote the food sector within the Malaysian cottage industry.

³ MCCM first initiated the project idea, which mooted the discussion between UNDP, MCCM and MECD.

⁴ The Government adopts the definition of those earning RM 1,500 and below as low income earners.

⁵ The food industry was identified after discussions with stakeholders in a pre-proposal discussion. It was identified as a potential industry for capacity building activities as some of the products by women entrepreneurs in this sector lacked micro enterprise skills (for example, the keropok lekoh product sold by entrepreneurs).

- To enable a group of rural women to acquire certain skills and develop expertise through activities such as business coaching, hands-on training and ICT training that is needed to promote and increase the entrepreneurial skills of the rural women so as to empower these women to become successful entrepreneurs.
- To identify and develop the production of local food products in various micro enterprise aspects of branding, labelling, packaging, marketing and promotion.

Part Ib. Strategy

1) Increasing the awareness and understanding of micro credit and micro finance of the public, especially among the rural population and women.

One of the objectives contained in the International Year of Micro credit 2005 is to increase the public awareness and understanding of micro credit and micro finance. Similarly, in this project, we aim to increase the awareness and understanding of the Malaysian public, especially among the rural women on the availability and advantages of micro credit and micro finance.

To fulfil this objective, a series of workshops, seminars facilitated by an international consultant and local resource persons to include national experts in micro finance and micro credit and policy dialogues will be organised by MECD-MCCM-UNDP. Experts for this component may be sourced from local micro finance institutions (MFIs) such as Bank Rakyat and Bank Pembangunan. International micro finance and micro credit experts will be sourced through UNCDF and other multi and bilateral agencies using UNDP's intensive knowledge network.

By combining local and international expertises, it is hoped that the quality of seminars and workshops will be enhanced for the benefit of the participants. Participants and target groups at these seminars and workshops will be identified with the assistance of TWC members who will consist of members from various groups with significant links to entrepreneurs, micro credit and micro finance knowledge and experience. Where possible, linkages with the private sector will be explored. The proceedings from these seminars and workshop will be documented as part of the knowledge management effort in this project.

A communication campaign will be developed to highlight the importance of micro credit and micro finance in Malaysia. Communication campaign plans adopted by UNCDF for the International Year of Micro credit 2005 will provide inputs to the Malaysian communication campaign. Usage of tools such as DVDs and other effective communication tools suited to the local scenario will be developed.

2) Developing a group of rural women equipped with various entrepreneurial skills such as branding, packaging and marketing to enhance the products of the women so as to empower them to become successful entrepreneurs.

In this component of the project, several steps leading to the achievement of the objective of this project will be taken.

a. Identification of women groups

The following list of criteria will act as a guide in the process of identifying the target groups for this pilot project. In addition to these guidelines, the knowledge and expert opinion from the members of the Technical Working Committee will be used to identify the beneficiaries of this pilot project and if necessary, field trips will be made to the location of the potential women groups for further identification of the project's beneficiaries.

Criterion of the project beneficiaries include:

- Low income rural women, with priority given to those with income below the national poverty line.
- Women with local food production businesses that have been in operation for several years and with the potential to fulfil market demands, and
- Those who have never been involved in other projects nor accepted any form of assistance.

Following this identification process, a meeting with the selected groups will be held to assess and determine the level of micro enterprise needs of the women groups. At this meeting, a pre-project assessment of the women will be carried out. A short survey using a questionnaire containing monetary and non-monetary indicators will be conducted to assess their pre-project economic and social condition of the women targeted for this project. A similar questionnaire could be used post-project to allow for the availability of a set of data detailing the before and after effects of the project. By doing this, an impact assessment using a simple difference in difference analysis can be conducted at the end of this project.

b. Empowering women through entrepreneurial skills: enhancing micro enterprise skills

Based on the results of the need assessment conducted above, a series of workshops, hands-on training to include elements of ICT and business coaching will be held to enable the identified groups of rural women to acquire skills and develop expertise in various micro enterprise aspects of branding, labelling, packaging, marketing and promotion. Through this effort, it is hoped that the production potential of the women groups can be enhanced via the development of marketing channels and the strengthening of marketing networks for the entrepreneurs.

To further widen market access, the usage of ICT by means of setting up a website

will be explored in addition to other feasible digital marketing tools. The feasibility of setting up a website will be examined.⁶ Best practices and lessons learnt from endeavours such as that carried out by UNCDF's "Made By Micro entrepreneur" website will provide input to this suggested website for the entrepreneurs in this project. Other potential industries and/or products in addition to food based products will also be identified in consultation with MECD, MCCM and the entrepreneurs themselves.

c) **Developing a group of rural women equipped with various entrepreneurial skills : product enhancement through branding and packaging**

Women have been producing cottage industry products of marketable quality for the past 30 years. However, lack of design, branding and packaging has left the product very much a localised merchandise.

It is therefore important that the women are trained to produce products that has quality and standards and carries brand and packaging that could go beyond the borders of Malaysia. Value added products with packaging would find easier access in the local and regional markets.

3) Knowledge Management.

A MECD-MCCM-UNDP publication will be produced based on the findings and lessons learnt from this pilot project for future reference. Using data and facts collected and compiled from this pilot project, a model for developing successful rural women entrepreneurs capable of running, sustaining and improving their businesses in the most efficiency way may be identified.

⁶ Issues related to this component include infrastructure facilities and website hosting capability. Should a website be develop, the ability to sustain the usage of this website must be determined and examined thoroughly.

Part II. Strategic Results Framework

Intended Outcome as stated in the Country Results Framework: National policies more effectively address the social impact of economic liberalization			
Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target. <ul style="list-style-type: none"> ▪ Increased capacity to assess human development needs 			
Applicable MYFF Service Line: Service line 1.3: Local poverty initiatives, including micro finance.			
Partnership Strategy Strengthening partnerships between Government, UNDP and the involvement of the private sector and MFIs in the development and empowering of rural women entrepreneurs in Malaysia			
Project title: Entrepreneurial Skills: Empowering Rural Women			
Intended Outputs	Output Targets	Indicative Activities*	Inputs
Increased awareness and understanding of micro credit and micro finance of the public, especially among the rural population and women.	Documents detailing the proceedings of seminars, workshops and policy dialogues on micro credit and micro finance.	1.1 Seminars, workshops and policy dialogues on micro credit and micro finance. <ul style="list-style-type: none"> • Overall theme: "Empowering through micro credit and micro finance". 1.2 Communication campaign on micro credit and micro finance to enhance awareness.	Local and international Micro credit and micro finance experts from local MFIs, the private sector and UNCDF. Communication campaigns carried out by UNCDF and other UNDP CO during IYM 2005 will provide inputs to this component in Malaysia. UNDP and UNCDF communication experts.
Rural women entrepreneurs empowered to become successful entrepreneurs.	A group of rural women trained with entrepreneurial skills, especially micro enterprise skills related to branding, packaging, labelling, marketing and promotion. Training manual on marketing,	2.1 Identification of target groups based on the criterion: <ul style="list-style-type: none"> • Low income rural women, with priority given to those with income below the national poverty line. • Women with local food 	Input from Technical Working Committee members.

Intended Outcome as stated in the Country Results Framework: National policies more effectively address the social impact of economic liberalization			
Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target. <ul style="list-style-type: none"> ▪ Increased capacity to assess human development needs 			
Applicable MYFF Service Line: Service line 1.3: Local poverty initiatives, including micro finance.			
Partnership Strategy Strengthening partnerships between Government, UNDP and the involvement of the private sector and MFIs in the development and empowering of rural women entrepreneurs in Malaysia			
Project title: Entrepreneurial Skills: Empowering Rural Women			
Intended Outputs	Output Targets	Indicative Activities*	Inputs
	packaging and branding for micro entrepreneurs produced.	<p>production businesses that have been in operation for several years and with the potential to fulfil market demands, and</p> <ul style="list-style-type: none"> • Those who have never been involved in other projects nor accepted any form of assistance. <p>2.2 Meeting to assess the micro enterprise needs of selected group.</p> <p>2.3 A series of workshops, hands-on training to include elements of ICT and business coaching will be held to enable the identified groups of rural women to acquire skills and develop expertise in various micro enterprise aspects of branding, labelling, packaging, marketing and promotion.</p> <p>2.4 Development of a website to expand the women's market access and strengthen business networking for the women.</p>	<p>Local and International consultants in training and micro enterprise skills.</p> <p>Qualified and established digital marketing developer/company.</p>

Intended Outcome as stated in the Country Results Framework: National policies more effectively address the social impact of economic liberalization			
Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target. <ul style="list-style-type: none"> ▪ Increased capacity to assess human development needs 			
Applicable MYFF Service Line: Service line 1.3: Local poverty initiatives, including micro finance.			
Partnership Strategy Strengthening partnerships between Government, UNDP and the involvement of the private sector and MFIs in the development and empowering of rural women entrepreneurs in Malaysia			
Project title: Entrepreneurial Skills: Empowering Rural Women			
Intended Outputs	Output Targets	Indicative Activities*	Inputs
A model for developing successful rural women entrepreneurs capable of running, sustaining and improving their businesses in the most efficiency way identified.	MECD-MCCM-UNDP publication produced based on the findings and lessons learnt from this pilot project	<p>3.1 Data collection via surveys using questionnaires – to allow for a simple difference in difference analysis to gauge the impact and effectiveness of the activities carried out in the pilot project.</p> <p>3.2 Collection of lessons learnt from the project.</p>	UNDP working together with MECD and MCCM.

Part III. Management Arrangements

Overall management

Technical Working Committee and National Steering Committee

The implementation of this project will be overseen and monitored by a Technical Working Committee (TWC) comprising of representatives from relevant ministries, departments and agencies. The TWC will be responsible to the National Steering Committee (NSC). The NSC will be established to provide the overall guidance to the implementation of the project. It is proposed that the NSC be chaired by the Secretary-General of the Ministry of Entrepreneur and Cooperative Development (MECD) and consist of members from the Economic Planning Unit (EPU), Implementation Coordination Unit (ICU), Ministry of Women, Family and Family Development (MWFD), Ministry of Rural and Regional Development, Ministry of Agriculture and Agro-Based Industry, Department of Agriculture, the Malay Chamber of Commerce (MCCM), UNDP, Amanah Ikhtiar Malaysia (AIM), Yayasan Tekun Nasional, the Small and Medium Industries Development Cooperation (SMIDEC), Bank Pembangunan and Infrastruktura Malaysia Bhd (BPIMB) and Bank Rakyat Malaysia Bhd. Members of the private sector and relevant NGOs will be identified to be part of the NSC and TWC.

Reports

A reporting task force will be appointed from amongst key members of the TWC to produce consolidated reports on the progress of the project. A competent consultant (preferably consultants engaged in the training of the women groups) will be appointed to write the required reports, working closely with the reporting task force. The reporting task force will present the reports to the TWC in the first instance. The TWC will subsequently recommend approved reports to the NSC.

The reporting task force will have to submit four reports in a 6 monthly interval as follows:

- 1) Implementing report.
- 2) Progress report.
- 3) Final report
- 4) Project Evaluation Report.

Tripartite Review

A tripartite review will be conducted at the end of the project, with EPU as the lead, together with UNDP and the Ministry of Entrepreneur and Cooperative Development.

Annex 1: Terms of Reference for National Steering Committee (NSC)

The National Steering Committee (NSC) will provide the overall guidance to the implementation of the project. The Chairman of the National Steering Committee will be

the Secretary-General of the Ministry of Entrepreneurs and Cooperative Development (MECD). Its members will consist of representatives from relevant ministries, MFIs, MCCM and UNDP. The Planning and Development Division of MECD will act as the secretariat to the NSC.

The NSC will meet after the receipt of each project report and/or twice a year, whichever is more, and have the following responsibilities:

1. Provide Policy guidance on matters pertaining to the implementation of the project.
2. Monitor and evaluate the implementation of the project towards fulfilment of the objectives stated in the project document.
3. Coordinate and manage overall project activities and budget.
4. Review and comment on each year's proposed work plan and budget.
5. Initiate remedial actions to overcome all constraints in progress of the project;
6. Review and approve relevant changes to the project design.
7. Coordinate the roles of the various organisations involved in the execution of the project and ensure harmony with related activities.
8. Review and approve progress and technical reports.

Members of the NSC will consist of the following Ministries, agencies and representatives:

- Economic Planning Unit (EPU),
- Implementation Coordination Unit (ICU),
- Ministry of Women, Family and Family Development (MWFD),
- Ministry of Rural and Regional Development,
- Ministry of Agriculture and Agro-Based Industry,
- Department of Agriculture,
- Malay Chamber of Commerce (MCCM),
- UNDP,
- Amanah Ikhtiar Malaysia (AIM),
- Yayasan Tekun Nasional,
- Small and Medium Industries Development Cooperation (SMIDEC),
- Bank Pembangunan and Infrastruktur Malaysia Bhd (BPIMB)
- Bank Rakyat Malaysia Bhd.

Members of the private sector and relevant NGOs will be identified to be part of the NSC.

Annex 2: Terms of Reference for the Technical Working Committee (TWC)

The Technical committee will be chaired by the Undersecretary of the Planning and Evaluation Division at the Ministry of Entrepreneur and Co-operative Development (MECD) and will report to the NSC.

The members of the TWC will consist of members appointed by the chairperson. These members should include representatives from the relevant divisions of MECD, MCCM, UNDP, the Ministry of Rural and Regional Development, Ministry of Agriculture and Agro-Based Industry, Department of Agriculture, Amanah Ikhtiar Malaysia (AIM), Yayasan Tekun Nasional, Small and Medium Industries Development Cooperation (SMIDEC), Bank Pembangunan and Infrastruktur Malaysia Bhd (BPIMB) and Bank Rakyat Malaysia Bhd. Other members from the private sector and NGOs may be invited to sit on the TWC where appropriate. The TWC will specifically responsible for:

1. Provide guidance and decisions on matters pertaining to the implementation aspects of the project.
2. Monitor and evaluate the implementation of the project towards fulfilment of the objectives stated in the project document.
3. Reading and approving reports prepared by the reporting task force.
4. Review and comment on the proposed work plan and budget.
5. Regular monitoring of the progress of the project and recommend approved reports to the NSC.
6. Review and advice on access and release of information/statement pertaining to the technical working aspects of the project.

Annex 3: Terms of Reference for International Consultant

Qualifications and Experience

- A Masters degree in Marketing and/or Business Administration or higher, from a recognized University.
- Deep knowledge (10 years or more of relevant experience) in international marketing, with expertise displayed in packaging, branding and promotion.
- Experience in e-marketing and e-promotion methods.
- Significant experience in defining and realisation of training programmes. Experience in teaching business and marketing.
- Management experience of professional training and seminars.
- Proven communication skills and ability to work as a team
- Computer literacy, good knowledge of MS office software.

Scope of work

The following tasks will be performed by the international consultant, working closely alongside local resource persons and/or institutions:

1. Identify the training needs of the targeted group of women.
2. Lead training, workshop and seminar, alongside local resource persons and experts.
3. Providing expert advice in the development of a website to expand the women's market access and strengthen business networking for the women.
4. Documenting all proceedings from the series of training, workshops and seminars held.
5. Develop a training manual in branding, labelling, packaging, marketing and promotion for micro entrepreneurs.
6. Develop a publication together with key stakeholders based on data and findings from this pilot study.

Duration: 18 months

