



## **PRESS RELEASE FOR IMMEDIATE RELEASE**

### ***UNDP, MECD and MCCM Launch Innovative Micro credit Project to Empower Women with Entrepreneurial Skills***

The United Nations Development Programme (UNDP), in partnership with the Ministry of Entrepreneur and Cooperative Development (MECD) and the Malay Chamber of Commerce Malaysia (MCCM) launched a pilot project aimed at empowering rural-based women in Malaysia with the knowledge, tools and skills to become successful entrepreneurs.

Micro credit, introduced two decades ago, first started out as a small loans programme to eradicate poverty. Over time, micro credit has evolved into sustainable microfinance, which combines microfinance and enterprise development which can empower the poor. But besides financial capital, there is also a need to focus on human capital. The provision of microfinance needs to be supported with efforts to broaden the range of skills and options for micro entrepreneurs in order to ensure sustainability of micro enterprises.

In Malaysia, and similarly in many other countries, the majority of micro credit recipients are women. As reported in the Malaysia Millenium Development Goals (MDG) report which was published by UNDP in January 2005, micro credit provided by the Amanah Ikhtiar Malaysia micro credit agency, totalled RM863 million to 490,000 borrowers, of whom 90 percent were women.

The “**Entrepreneurial Skills: Empowering Rural Women**” project targets both rural and urban low-income communities, particularly women, who currently have existing businesses but require capacity building in terms of adopting better technology, improving production and quality standards, as well as creating effective branding, packaging and marketing strategies.

The project, which promotes sustainable microfinance, will also help to train the selected women in the food industry in areas of business planning and financial management. The five target states for the 18-month project are Kelantan, Terengganu, Kedah, Penang and Melaka.

Richard Leete, UNDP Resident Representative for Malaysia, Singapore and Brunei Darussalam, said, "In Malaysia, micro credit is widely available, and has had a positive impact on raising the standard of living of the rural poor and uplifting them from poverty, and this is especially so among women. However, micro credit on its own is insufficient and there is the risk that poor people may lack access to financial services which could raise their standards of living further besides protecting them against potential economic setback."

"As such, the concept of micro finance encompasses a wider range of components such as loans, savings, insurances, transfer services and other financial products targeted at low income clients in order to enhance their income and enjoy an improved quality of life," he said.

As part of the support strategy, the Bestari Help desk at the MCCM was also launched. The Help desk will serve as a one-stop centre for the women involved to obtain information on microfinance products, financial management and current related training opportunities available in the country.

To further boost market access for the targeted women, this project will also explore new and innovative ways of opening market access for them, which could include the setting up of a website to provide useful and practical information on micro credit, microfinance and micro enterprise, as well as to strengthen business networking for the recipients.

Participating 'Development Financial Institutes' (DFIs) in this project are Amanah Ikhtiar Malaysia (AIM), Yayasan Tekun (Tekun), MARA and Bank Pertanian Malaysia.

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**NOTE TO EDITOR**

*UNDP is the UN's global development network, advocating for change and connecting countries to knowledge, experience and resources to help people build a better life. We are on the ground in 166 countries, working with them on their own solutions to global and national development challenges. As they develop local capacity, they draw on the people of UNDP and our wide range of partners. Its current priority is to help all countries achieve the Millennium Development Goals (MDGs) by 2015.*

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