



## ASEAN Small Business Competiveness Programme

### Development Objective:

Providing a set of tools for countries across ASEAN to develop and upgrade specific/micro small business in common sectors, providing entrepreneurs and those who work with them guidance on how to establish, run and improve the business – boosting competitiveness and improving services.

### Immediate Objective:

Improve capacity of direct recipients of the project to assist the micro, small and medium enterprises in the common sectors identified.

### Key Partners:

- Ministry of Cooperative and Small Medium Enterprises
- ILO Decent Work Team - Bangkok

### Duration:

2 years (2012-2014)

### Geographical Coverage:

ASEAN countries.

### Donor:

Japan – ASEAN Integration Fund (JAIF)

### Budget:

USD 350,902

### Implementing Agency:

ILO

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## Project Background

Micro, small and medium enterprises (MSMEs) in ASEAN make up more than 90 per cent of all domestic firms and 75-90 per cent of the non-agriculture workforce. MSMEs provide the supplier basis which supports the success and productivity of large international corporations and are therefore an essential foundation of their operations. However, despite their economic importance, MSMEs in ASEAN face significant structural, fiscal and non-fiscal issues and challenges, which include:

- Limited access to finance, technology and market;
- Inadequate entrepreneurial and management skills;
- Lack of information on and poor compliance to standards and certification;
- Absence of a conducive business environment;
- Inadequate information and communications technology; and
- Insufficient adjustment to outsourcing and networking strategies adopted by large enterprises and multinational companies

The great majority of employment creation in ASEAN has taken place in the informal sector, and it is the self-employed operators of micro-enterprises which are the intended targets of this project.

## Regional Action by ASEAN

Across the Asia region there are common areas of operation by MSMEs, both in terms of services and manufacturing. Given this commonality, there exists a common set of good practices that can be shared and adapted by local companies.

While there does exist some national good practices and management tools, these are often locked into one country's language, available only in printed format, out of print following the end of a project, or limited in scope. There is no one source where, across ASEAN, small business owners can find guides, strategies, plans, and good practices on running their specific business. This project will provide such tools to ASEAN countries and at the same time broaden the scope of potential beneficiaries.

The Project in particular will support the following programme in ASEAN:

1. The ASEAN Strategic Plan for SME Development (2010-2015) as it will help to improve the competitiveness of SME<sup>1</sup>; and
2. The ASEAN Roadmap, Community Blueprint, and Labour as it will promote entrepreneurs development.<sup>2</sup>

## Beneficiaries:

The direct beneficiaries of the project are national and local government agencies, business development services and development projects whom provide services and support to MSMEs.

The ultimate beneficiaries are the entrepreneurs in the selected sectors, communities in which the businesses are located, and larger enterprises in the same vicinity.

## Project Strategy

The project intends to develop simple tools in which entrepreneurs could access, navigate and apply easily. The tools would be distributed with the use of multi-media platforms for distribution.

The set of tools, focusing on the specific sectors of MSME activity, will include the following:

- Overview of each sector or business area (key issues to consider);
- Start-up information for each sector;
- Sample business plan for the business sectors;
- Best practices for enterprises in each sector;
- Key forms i.e. checklists, budgets; and
- Videos of good examples.

Various multi-media platforms will be utilized for distribution purposes and include the following formats: VCD and/or DVD; web; radio programmes; mobile phones; paper; and If possible, as part of entrepreneurship programmed like the ILO's Know About Business (KAB) and Start and Improve Your Business (SIYB) and others.

1 <http://www.aseansec.org/SME/SPOA-SME.pdf>

2 [http://www.google.co.id/url?q=http://apirnet.ilo.org/resources/asean-labour-ministers2019-work-programme-2010-2015/at\\_download/file1&sa=U&ei=dq1YUKfODYnorQeCvoGQAg&ved=0CBYQFjAC&usq=AFQjCNEIN1FLkFsGaT1ogRa8leY66dKJKw](http://www.google.co.id/url?q=http://apirnet.ilo.org/resources/asean-labour-ministers2019-work-programme-2010-2015/at_download/file1&sa=U&ei=dq1YUKfODYnorQeCvoGQAg&ved=0CBYQFjAC&usq=AFQjCNEIN1FLkFsGaT1ogRa8leY66dKJKw)



The project would seek to find common areas of business activity across ASEAN, thereby spreading impact to a larger number of beneficiaries. Based on the design, the project would target sectors best suited to the largest number of ASEAN member states where such businesses operate. A partial list of possible common sectors across ASEAN Member States might include the following:

- Chicken farm;
- Vegetable path and stand;
- Motorcycle repair station;
- Roadside restaurant;
- Convenience stand;
- Souvenir handicrafts;
- Cell phone services;
- Hair cutting/beauty services;
- Motorcycle or tuk-tuk service;
- Laundry service;
- Tailoring; and
- Catering.

## Formulated Project Outputs:

The following outputs are expected from the implementation of the project's objectives:

### Phase I – Preliminary study and development of tools

- Development and availability of 8 full sets of tools for the common sector; and
- Pilot testing for the project in at least 5 ASEAN Member States.

### Phase II – Dissemination of the tools

- Dissemination of tools in at least 20 identified media (2 media in each ASEAN Member States);
- Tools reach the target beneficiaries in all ASEAN member states (at least 2,000 beneficiaries); and
- Workshop is conducted in order to promote the tools to the related government agencies.

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