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**MINISTRY OF AGRICULTURE  
AND FOOD INDUSTRY  
SABAH, MALAYSIA**

**JAPAN INTERNATIONAL  
COOPERATION AGENCY**

**THE STUDY ON DEVELOPMENT  
FOR ENHANCING RURAL WOMEN  
ENTREPRENEURS  
IN SABAH, MALAYSIA**

**FINAL REPORT**

**VOLUME II**



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**THE STUDY ON DEVELOPMENT  
FOR ENHANCING RURAL WOMEN ENTREPRENEURS  
IN SABAH, MALAYSIA**

**FINAL REPORT AND SUPPORTING BOOKS**

MAIN REPORT

FINAL REPORT VOLUME I

- MASTER PLAN -

FINAL REPORT VOLUME II

- SITUATION ANALYSIS AND VERIFICATION SURVEY -

PUANDESA DATABOOK

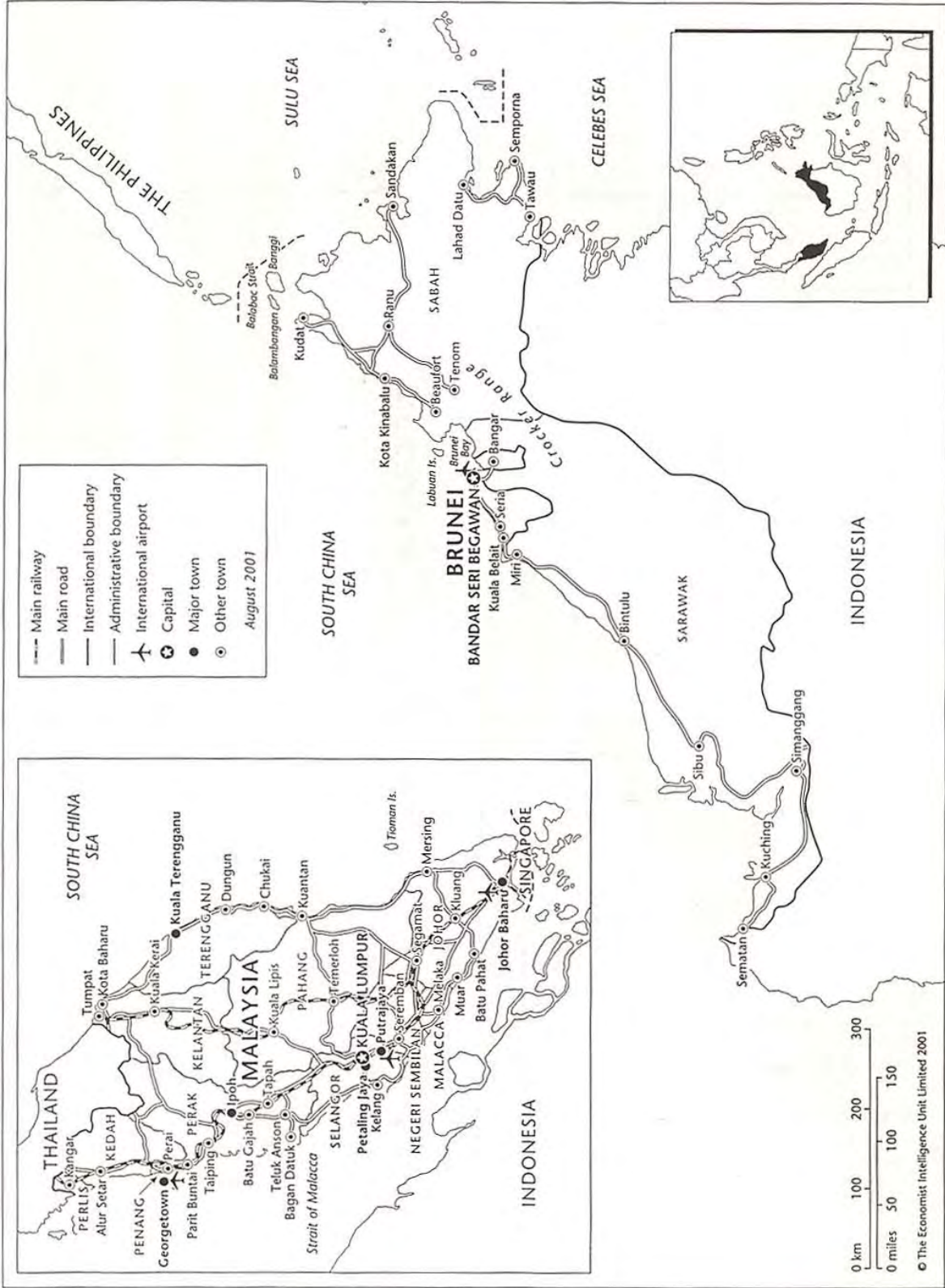
PUANDESA GUIDELINE FOR RURAL WOMEN ENTREPRENEURS

- HOW TO START A MICRO BUSINESS IN YOUR COMMUNITY -

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**LOCATION MAP**

**PUANDESA**  
**THE STUDY ON DEVELOPMENT**  
**FOR ENHANCING RURAL WOMEN ENTREPRENEURS**  
**IN SABAH, MALAYSIA**

**FINAL REPORT**

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## **PART I: SITUATION ANALYSIS**

## CHAPTER 1: STUDY OUTLINE

### 1.1 BACKGROUND

Through the implementation of sound economic policies, Malaysia has been successful getting its economy to rebound from the 1997 Asian economic crisis. The country registered a record 8.5% growth rate in 2000. To sustain this level of socio-economic development, the country aims at reducing the disparity between urban and rural areas in order to attain equal and equitable development. Among the 13 states of Malaysia, the state of Sabah has the highest poverty rate. In Sabah, the economic disparity between the urban and rural areas has been increasing. In the state of Sabah, the poverty rate of the rural area (27.3%) is four times higher than the one (6.3%) of the urban area. This has contributed to slowing the pace of the state's development effects.

In this context, rural women are expected to play positive roles in enhancing the economic well-being of their respective communities and their families. The enhancement of agro-related activities among rural women is regarded as one of the best means for increasing family income, for empowering women by improving their access to resources and for activating rural economic activities.

In view of this, the government agencies, such as Korporasi Pembangunan Desa (KPD) and the Department of Agriculture (DOA) under the Ministry of Agriculture and Food Industry, Sabah (MAFI) have conducted various development programs. These programs aim at promoting the involvement of women in contract farming and in improving support for women's enterprises. To make the outcomes of these programs effective and sustainable, institutional strengthening of the implementation agencies and capacity building among rural women based on a specific master plan are highly required.

Government of Malaysia (GOM) requested the technical assistance of the Government of Japan (GOJ) for the preparation of a master plan and an action plan for rural women's empowerment in Sabah in August 2000. Based on the Scope of Work (S/W) and the Minutes of Meeting (M/M) signed by GOM and Japan International Cooperation Agency (JICA) in 6 August 2001, the Study on Development for Enhancing Rural Women Entrepreneurs in Sabah, Malaysia (the Study) was conducted for 26 months from January 2002 to February 2004.



## **1.2 OBJECTIVE OF THE STUDY**

The Study aimed at:

- 1) formulating a master plan for enhancing rural women entrepreneurs in Sabah.
- 2) transferring relevant skills to Malaysian counterpart personnel through working together in the course of the Study.

The specific goals of the Study are:

- a) to enhance rural women's agro-related economic activities.
- b) to build capacity of the government agencies supporting women's development activities.

## **1.3 TARGET GROUP OF THE STUDY**

The Study targeted all of the rural women who live in the state of Sabah. It covered both the rural women entrepreneurs and the potentials; namely, both those who started their income generation activities already and those who had not started yet.

In the Study, the term "rural women entrepreneurs" was defined as "the women who were conducting a business in the rural area individually or in a group; in their business, the women 1) played a key role, 2) had responsibility of decision making and 3) received incomes from the activities.

## **1.4 MAJOR ACTIVITIES AND TIME-FRAME**

The major activities of the Study are summarized as follows:

Situation Analysis and Planning of Master Plan Framework (February – July 2002)

After discussion and agreement of the contents of the Inception Report between the Sabah counterparts and the JICA Study Team, information gathering and analysis were done to understand the socio-economic context of the state of Sabah and the current situation, constraints and potentials of the rural women, their agro-related activities and the supporting agencies and programs. The findings of the survey during this period were summarized in the Progress Report I.

Based on the results of the situation analysis, the target group of the rural women and the rural women entrepreneurs were classified into six (6) clusters according

the maturity level of their business. The Master Plan framework was prepared to enhance the rural women's agro-related activities considering these six clusters. Additionally, the pilot project plans were formulated for the verification survey to verify the relevance of the Master Plan framework. The outputs of these activities were summarized in the Interim Report.

#### Pilot Projects Implementation and Monitoring (September 2002 – September 2003)

The Study was given the nickname of "PUANDESA", the abbreviation for "enhancing rural women agro-related activities in Sabah" in Malay language, by the Technical Committee. The 11 pilot projects were conducted over 12 months from October 2002 to September 2003 by the task forces consisting of the Sabah counterparts and the JICA Study Team. Prior to the pilot project implementation, a baseline survey was conducted in September 2002; the mid-term evaluation was done in February 2003. The post evaluation was carried out in October 2003 in the end of the pilot project implementation.

The PUANDESA pilot projects are:

- Pilot Project 1 Thinking and working with rural women project.
- Pilot Project 2 Project of establishment of a one-stop service center for rural women entrepreneurs.
- Pilot Project 3 Project of utilization of unused products and resources.
- Pilot Project 4 Seaweed culture and processing project.
- Pilot Project 5 Project of improvement and innovation of TAMU function.
- Pilot Project 6 Project of promotion of local products under Kudat tourism development.
- Pilot Project 7 Project of improvement in participatory approaches in project planning.
- Pilot Project 8 Project of strengthening of a coordination body for empowerment of rural women.
- Pilot Project 9 Project of reinforcement of organization network for handicraft promotion.
- Pilot Project 10 Project of improvement of the effectiveness of the micro-credit services for rural women entrepreneurs.
- Pilot Project 11 Project of improvement of policy makers' understanding and support.

The Report on the Pilot Project Progress (September – October 2002) and the Progress Report II, which covers the pilot project progress from September 2002 to February 2003, were prepared by the JICA Study Team in October 2002 and in February 2003, respectively. The Report on the Pilot Project Progress (March – July 2003) was prepared by the Sabah counterparts in July 2003.

#### Master Plan Update and Final Report Preparation (October 2003 – February 2004)

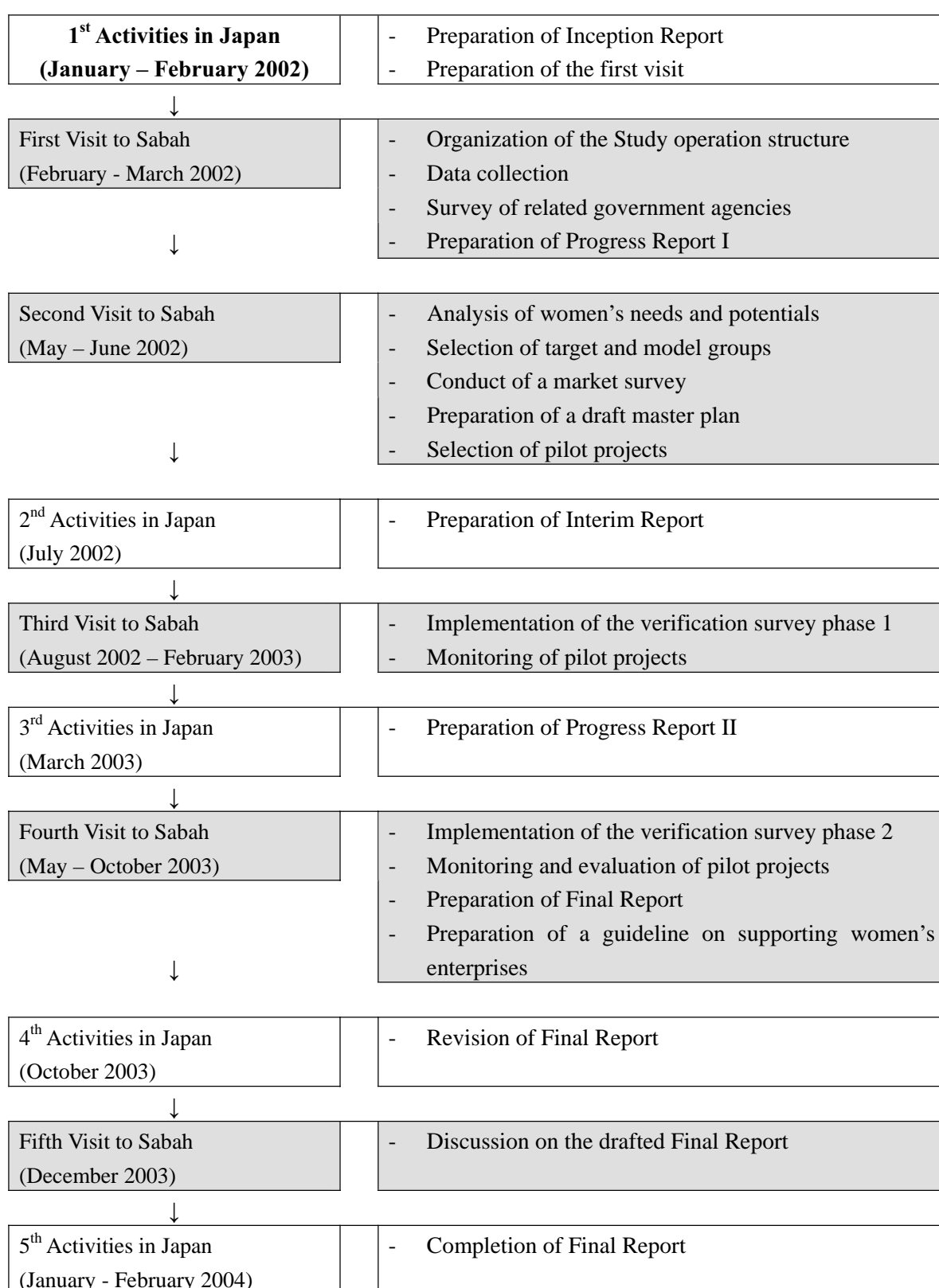
The Conference Evaluation was held on 7<sup>th</sup> and 8<sup>th</sup> of October 2003 in the presence of the Honorable Minister of Agriculture and Food Industry and the Honorable General Consulate of Japan. The taskforce members, the leaders of the target rural women groups and the representatives of the related agencies were invited to the Conference. The activities and findings were presented by the taskforce leaders and the target group leaders through various forms including lecturing, role-play and singing.

The planning workshop was held on 15 October 2003. The Sabah counterparts and the JICA Study Team discussed how to update the Master Plan framework based on the findings and the lessons learned from the pilot projects.

The Master Plan was updated in collaboration with the Sabah counterparts and the Final Report was drafted and submitted to the state of Sabah in December 2003. The series of meetings with the Technical Committee and Steering Committee were held on 11<sup>th</sup> and 13<sup>th</sup> of December 2003 to discuss the contents of the draft of the Final Report. A workshop to discuss the draft of the Master Plan was held on 16<sup>th</sup> of December 2003 with the task force members.

The detailed plans and comments were prepared by the task force members and the JICA Study Team and submitted to the JICA Study Team on 19 January 2004. Based on the comments and the detailed plans produced by the Sabah counterparts, the Final Report was completed and submitted to the state of Sabah and JICA in the middle of February 2004.

The overall schedule of the PUANDESA Study is shown in Figure 1-1.



**Figure 1-1 Overall Schedule of the PUANDESA Study Activities**

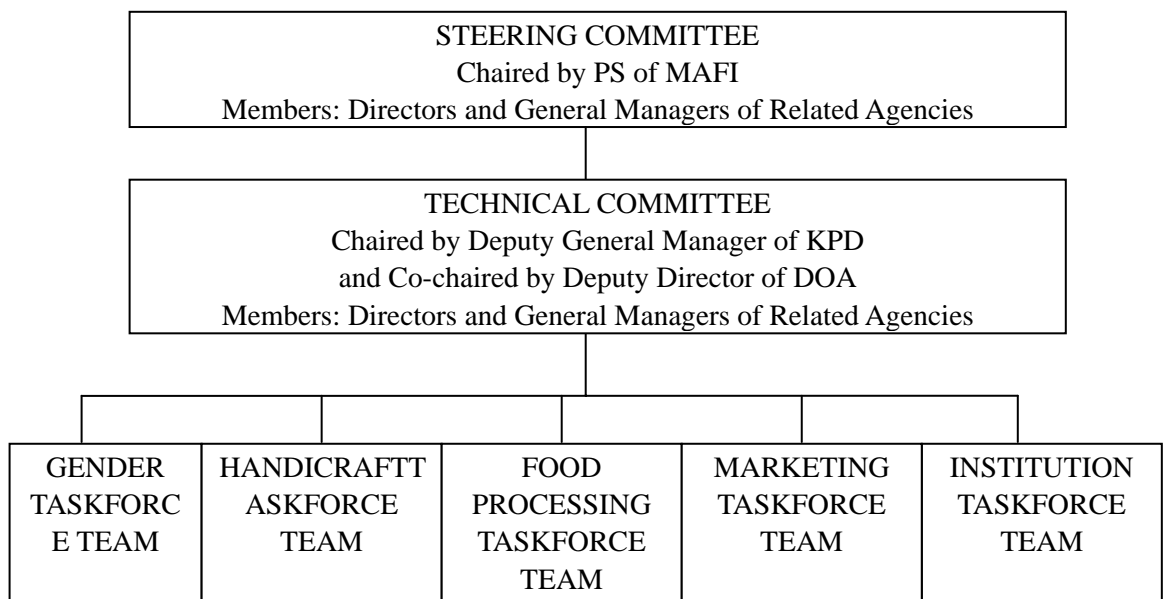
## 1.5 NICKNAME OF THE STUDY

In the beginning of the pilot project implementation, the Study was given the nickname of “PUANDESA” by the Sabah counterparts. During the meeting of the Technical Committee, it was discussed and decided that for the target groups and even for the taskforce members it might be much easier to call the Study a familiar and simpler name rather than the full name of the Study.

The nickname “PUANDESA” stands for “Pembangunan Usahawan Wanita Desa Sabah”, which means “Rural Women Entrepreneurs Development in Sabah”. The logo (refer to P156) was also created by the counterparts. The nickname and the logo were well accepted by the taskforce members as well as by the target group members. It contributed to improve the ownership and the unity among the taskforce members and the target group members as well as to public relations promotion of the PUANDESA Study.

## 1.6 OPERATION STRUCTURE

Based on the Scope of Works signed by GOM and JICA, a Steering Committee was established, which was chaired by Datuk Abidin Madingkir, Permanent Secretary of the Ministry of Agriculture and Food Industry, Sabah and consisted of the directors and general managers from the related agencies. It functioned as the decision-making body of the Study at the policy level (Figure 1-2).



**Figure 1-2 Operation Structure of the PUANDESA Study**

The members of the Steering Committee were the representatives of the related agencies; namely the Ministry of Agriculture and Food Industry (MAFI), KPD, DOA, DOF, YUM, EPU, KPLB, PKKM, JHEWA and Consulate of Japan. The member list of the Steering Committee is included in Appendix-1.

Under the Steering Committee, a Technical Committee was formulated. The Technical Committee was chaired by Haji Dos Ismail, Deputy General Manager of KPD and co-chaired by Haji Dandan, Deputy Director of DOA. The Technical Committee members were the division heads and senior staff members of the related agencies, who were the counterpart members of the Study. The Committee functioned as the implementation body of the Study as well as the decision-making body at the implementation level.

The members of the Technical Committee were the representatives of KPD, DOA, DOF, DOVSAI, YUM, KPLB, PKKM, JHEWA, FAMA, MARDI, Matunggong ADO, SPS and Yayasan Sabah. The member list of the Technical Committee is also included in Appendix-1.

Additionally, the five (5) task force teams were formed to conduct the Study activities, to implement the pilot projects efficiently and to perform the knowledge and technology transfer effectively. The members of the taskforce are the Technical Committee members and the specialists of the related agencies. The five taskforce teams are 1) the gender taskforce team; 2) the handicraft taskforce team; 3) the food processing taskforce team; 4) the marketing taskforce team; and 5) the institution and financial taskforce team.

## CHAPTER 2: OVERVIEW OF THE STATE OF SABAH

The state of Sabah, the target area of this study, is located in the northern part of the Borneo Island which is called “East Malaysia”. The Malay Peninsula became an independent country in 1957 as the Federation of Malaya. The two states in East Malaysia, Sabah and Sarawak, were integrated into the Federation of Malaysia in 1963. Due to their historical background, the two states have had more independence than the other states. They have their own chief minister and ministries and carry out immigration control.

### 2.1 NATURAL CONDITIONS

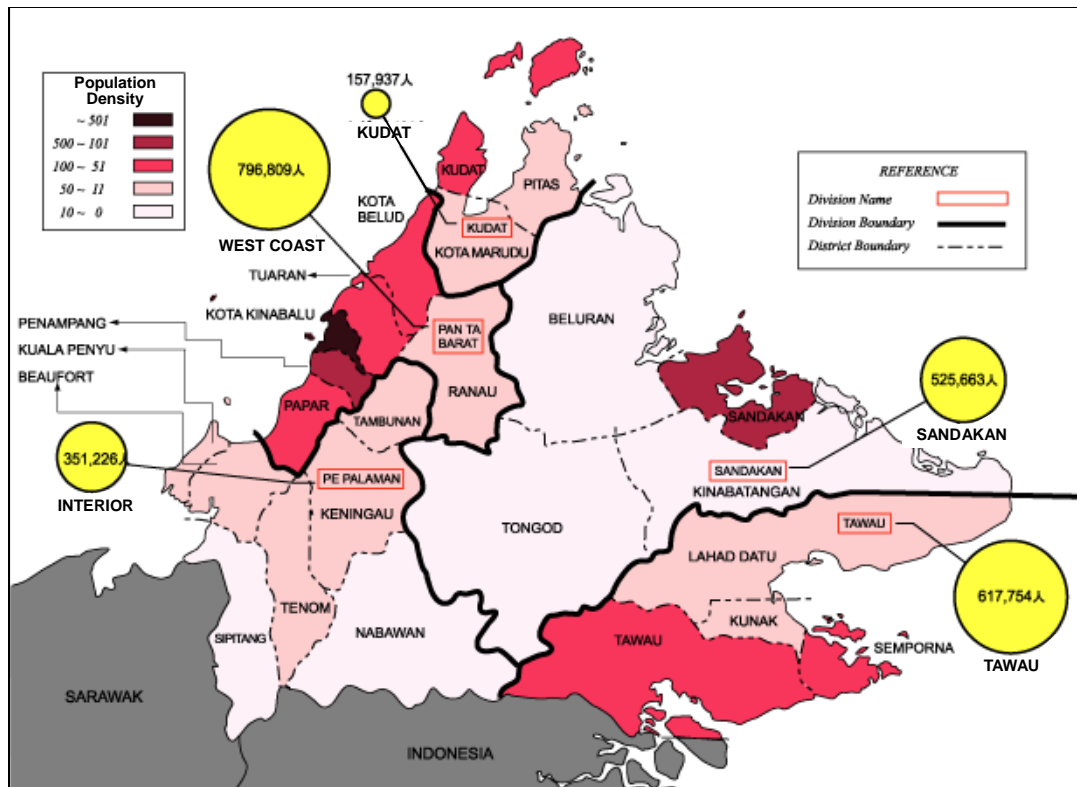
The state of Sabah is called *the land below the wind*; it means Sabah lies outside the typhoon belt which hits the South China Sea. The total area of Sabah is 73,997 km<sup>2</sup>, which is a little smaller than the area of Hokkaido Prefecture of Japan. It occupies 22.3% of the country. The state has a tropical monsoon climate. The temperature ranges from 25°C to 32°C through the year and the annual rainfall from 2,000 mm to 3,000 mm with little difference between the rainy and dry seasons (Yearbook of Statistics Sabah 2002, Department of Statistics Malaysia, Sabah).

The central part of the state is hilly at an altitude of 1,200~1,800m. The Crocker Mountains divide the state in two. In the northern end of the Crocker range, lies Mt. Kinabalu (4,101m), the highest mountain in Southeast Asia. The forest area of the state of Sabah occupies about 60% of the total area of the state. Sabah’s tropical forest has a unique and complicated ecosystem and has been carefully observed worldwide. A vast expanse of oil palm plantations covers the interior part of Sabah.

### 2.2 DEMOGRAPHIC CONDITIONS

Sabah comprises five (5) divisions: West Coast Division; Interior Division; Sandakan Division; Tawau Division; and Kudat Division. The population of the state in 2000 was 2,603,485, which is 11.2% of the total population of Malaysia: 23,226,000 (Yearbook of Statistics Sabah 2002, Department of Statistics Malaysia, Sabah). The population of the state in 2000 had increased by 50% in the past nine years from 1,734,685 at the last demographic census (1991). The annual growth rate during this period was 3.92%, which is considered very high (refer Figure 2-1 for the population and its density by district).

A large part of the population lives on the West Coast. Within the West Coast Division, the state capital, Kota Kinabalu (1,173.6/km<sup>2</sup>) and Penampang have higher population densities. Sandakan and its suburbs have high density in the east coast. The interior part of the state is mostly covered by jungle or oil palm plantations and the population density is less than 10/km<sup>2</sup> in general. Villages are generally located beside rivers (Yearbook of Statistics Sabah, 2002).



(Data Source: Yearbook of Statistics Sabah 2002, Department of Statistics Malaysia, Sabah)

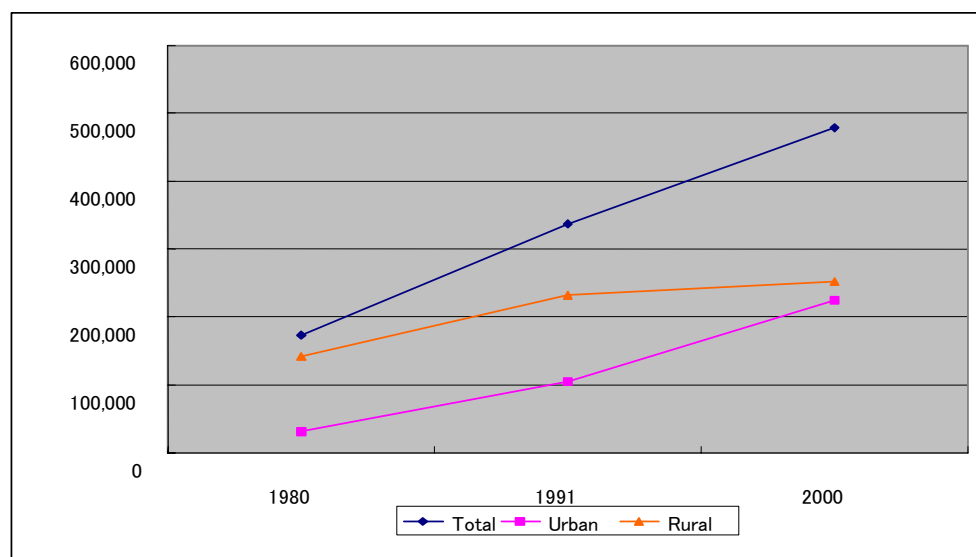
**Figure 2-1 Population and Population Density in Sabah (in 2000)**

In the state of Sabah, a large number of people have been migrating from the rural areas to the urban areas, as shown in Figure 2-2. In 1980, 80.1% of the total population resided in the rural areas. In 2000, the population in the urban areas (47%) was similar to that of the rural area (53%).

The demographic features of the state are, 1) the population growth rate is high, 2) the migrating population from the rural areas to the urban areas has been increasing; and the number of immigrants from the neighboring countries such as Indonesia and Philippines is rapidly increasing. The registered number of the immigrants is more than 610,000 (24% of the total population). According to the Department of Immigration, in 2000, the three largest immigrant groups by



nationalities are 115,581 persons from Indonesia; 110,044 from Taiwan; and 45,632 from the Philippines. These immigrants have affected the living conditions and the economic activities of the population of Sabah in many ways, not only in the urban areas but also in the rural areas (Yearbook of Statistics Sabah 2002).

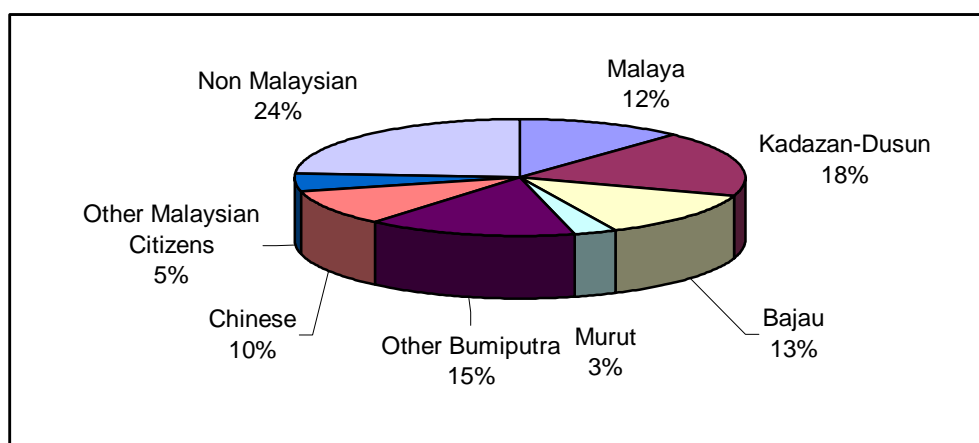


(Data Source: Preliminary Count Report for Urban and Rural Areas, 2001, Department of Statistics Malaysia)

**Figure 2-2 Number of Households in the Urban and Rural Areas**

The breakdown of the population by ethnic group is shown in the Figure 2-3. Comparing with the Malaya Peninsula, more indigenous groups, such as Kadazan-Dusun, Murut, and Bajau, live in the state. The rate of Christians is higher (28% of the state population) than in the Peninsula. 75% of the Kadazan-Dusuns are Christians, while 21% are Muslims. Eighty-three percent of the Muruts are Christians. One hundred percent of Malaysians are Muslims, while 99.8% of Bajau are Muslims (Yearbook of Statistics Sabah 2002).

As for the geographical distribution of the ethnic groups, the Malaysians live mainly in Kota Kinabalu and Tawau and Sandakan in the eastern part of the state, while the Kadazan-Dusuns live mainly in Kota Kinabalu, Ranau and Papar in the West Coast. The Bajaus live in Kota Kinabalu and Semporna and Lahad Datu in the east coast, while the Muruts live mainly in Tenom and Keningau in the Interior. The Chinese population lives in Tawau and Sandakan in the east coast and Penampang in the west coast.



(Data Source: Yearbook of Statistics Sabah 2002, Department of Statistics Malaysia, Sabah)

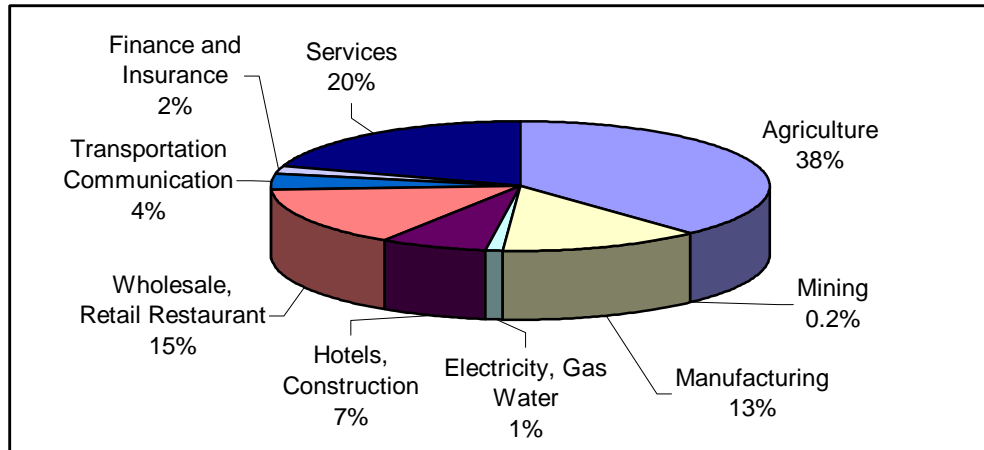
**Figure 2-3 Ethnic Group Components in Sabah (2000)**

### 2.3 SOCIO-ECONOMIC CONDITIONS

The Eighth Malaysian Plan (2001-2005) classifies all 14 states in the country into “More Developed States” and “Less Developed States”. The state of Sabah is classified as a “Less Developed State”. According to the Plan, the GDP of the state was RM 14,947 million in 2000 and the average annual growth rate was 7.5%. Although this is considered as the average figure among the Less Developed States, the GDP *per capita* was RM 9,123 in 2000; the third lowest after the states of Kedah, and Kelantan. The annual average growth rate of the GDP *per capita* is 4.4%, in which Sabah is the second lowest after the state of Selangor.

With its abundant forestry resources, the state of Sabah used to export a large volume of timber. However, as commercial forestry grew during the 1970s and the 1980s, the forestry resources in Sabah have been gradually depleted. Consequently, the state industrial structure is now being forced to divert from agriculture (forestry) to retail sales, hotel, and service industries. The breakdown of the GDP by economic sectors shows that the agricultural sector had the largest share (25.68%) in 1999 and the mining industry topped the GDP share in 2000 (17.56%). This is because the mining industry, including crude oil, has been expanding output and earnings, while agricultural production fell. On the other hand, the share of manufacturing and service industries have remained constant at around 10%.

Although the GDP share of the agricultural sector has a decreasing trend, the total labor force in the agriculture, forestry, and fishery sector reached nearly 40% in 2000, which is the largest of all the sectors and is still increasing.



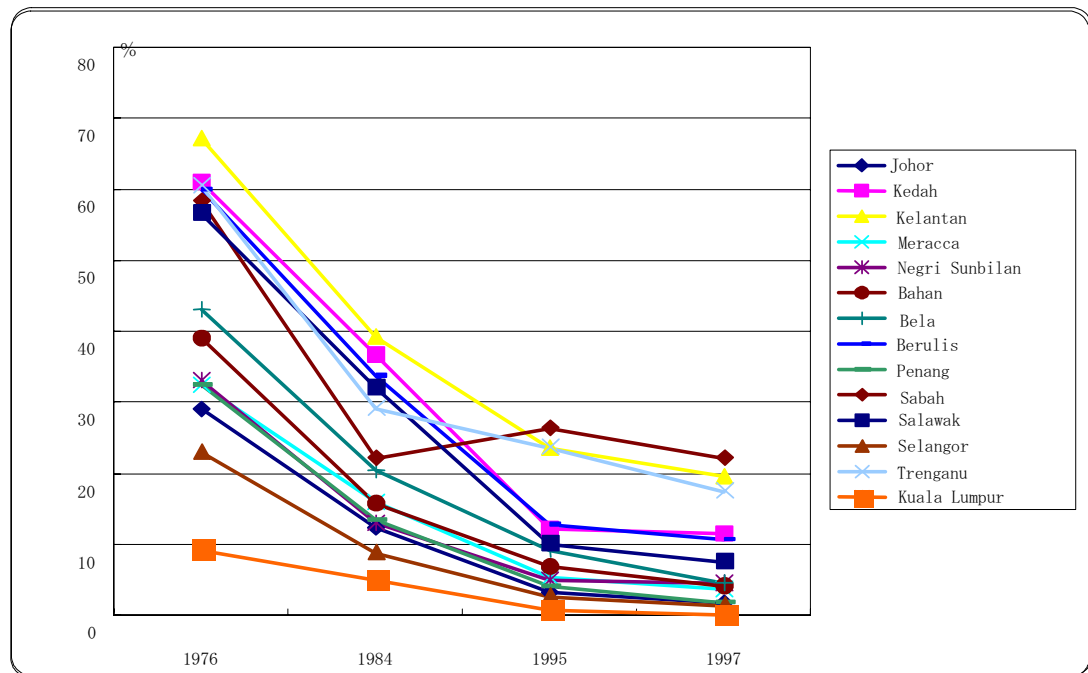
(Data Source: Yearbook of Statistics Sabah 2002, Department of Statistics Malaysia, Sabah)

**Figure 2-4 Labor Force Structure (2000)**

Comparing the state with the others in terms of socioeconomic indices, the coverage of the safe water supply in the state is 64%, which is the second lowest after the state of Kelantan. The electrification rate was 78% in 1995 and the rate of paved roads was 0.5%/10km<sup>2</sup> in 1995 which was the lowest in the country. These figures show that the socioeconomic infrastructure of the state is significantly lagging behind. The literacy rate was 78% in the state while in half of the other states it was over 90% in 1995. The state infant mortality rate is 38/1000 births, which is also serious considering that the figures of the other states are around 10/1000 births (Data Source: JBIC Malaysia Poverty Profile, Feb. 2002).

The government has been coping with the poverty in the country by setting the standard to measure the absolute poverty as the “Poverty Line Income (PLI)”. PLI is defined as the monthly minimum income (RM) per household necessary to satisfy basic family needs for food, clothing and shelter. In consideration of differences of commodity prices by region, the PLIs are set for each of the three areas including Malay Peninsula, Sabah, and Sawarak. The government has classified those whose monthly income is less than half of PLI as “Hardcore Poverty” and has been challenging its elimination. PLI of Sabah is currently RM 685 (in the year 2000).

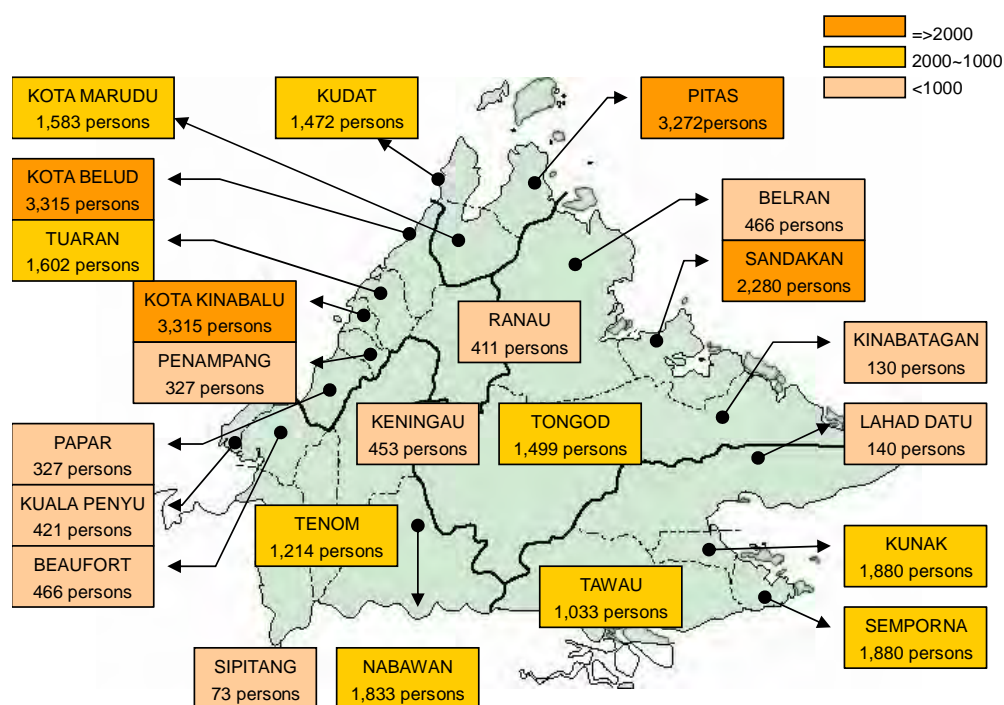
Sabah has come to hold the highest poverty rate, replacing the state of Kelantan since 1995, as shown in Figure 2-5. This is because the state of Sabah has not shown any improvement while the other states including Kelantan have succeeded in reducing the poverty rates. As of 1995, the poverty rate of the state was 5.5%, which is twice more than the 1.7% of the states of Malay Peninsula and 2.0% in the state of Sarawak (Sixth Malaysian Plan).



(Data Source: JBIC Poverty Assessment Report 2001)

**Figure 2-5 Poverty Ratio by State in Malaysia**

Figure 2-6 shows the distribution of poverty households in Sabah. The data of the Figure 2-6 are “the numbers of households living below PLI” collected annually by District Officers and submitted to the Ministry of Rural Development (KPLB). The data here was prepared based on the data submitted by each household; the declared incomes are expected to be less than the real amount. However, it might still be possible to understand the trend of distribution of poverty households in the states.



(Data Source: KPLB)

**Figure 2-6 Distribution of Poverty Households in Sabah (as of 31 March, 2002)**

Figure 2-6 shows that there is a high incidence of poverty households in the five districts of Kudat, Kota Marudu, Pitas, Kota Belud, and Nabawan. High occurrence rates of poverty households are in the northern area: Kudat, Kota Marudu and Pitas districts. These three districts are classified as the “Poverty Belt” and specified as the targets of the development programs of the state government. There are also many poverty households in the districts of Papar in the west coast; Sandakan in the east coast; and Tenom and Nabawan in the interior.

## 2.4 STATE DEVELOPMENT PLANS

### 2.4.1 THE EIGHTH MALAYSIAN PLAN (2001~2005) AND THE SABAH STATE PLAN

The Eighth Malaysian Plan has important strategies including, 1) stabilization of the macro economy, 2) poverty reduction, 3) improvement of productivity, 4) strengthening of international competitiveness 5) enhancement of information technology, 6) human resource development, 7) securing sustainable development, 8) improvement of the quality of life, and 9) enhancement of ethnic groups . After emerging from the economic crisis in Asia by itself, Malaysia is

now aiming at recognition as a developed country by even better economic development such as strengthening international competitiveness and information technology. To accomplish that goal, the country needs to address the development disparity in east Malaysia and the eastern part of the Malay Peninsula.

Based on the Eighth Malaysian Plan, the Sabah State Plan aimed at 1) promotion of economic development, 2) reduction of poverty, and 3) development of rural areas. The main strategies to achieve these objectives are, a) strengthening the manufacturing and production sectors, b) development in the rural areas and poverty reduction, c) improvement of the socio-economic infrastructure; d) human resources development, e) improvement of public social services, f) promotion of the Bumiputra Policy in the economic sector, g) sustainable development and environmental considerations, h) promotion of participation of women in development, and i) promotion of direct overseas investment and trade cooperation in the region of east ASEAN (BIMP-EAGA).

From the above mentioned, the objective of this study, which is “to improve rural women’s income generation and living conditions and then to promote rural women’s empowerment in the state of Sabah through enhancing their agro-related activities”, is very relevant to the development policies of the federal government and the state government.

#### **2.4.2 DEVELOPMENT POLICY OF THE STATE GOVERNMENT**

In spite of the efforts made by the state government, Sabah, in general, is behind in the context of socioeconomic development from the other states in the country as seen above. This is because the western part of the Malay Peninsula is considered more important for development in the national policy. According to the development budget per capita by state in the Seventh Malaysian Plan, there is no correlation between PLI and the development budget, although PLI has been established to promote the poverty reduction policy. For instance, the development budget per capita for the states where poverty rates are high, Kelantan, Sabah, Sawarak and Terengganu, is relatively small.

As for Sabah, although the poverty rate is the highest and the need for development is very high, the development budget per capita is RM 2,200, which is relatively low among all the states. The opposition party dominated the state government of Sabah during certain periods in the 1980s, which had made

relations with the federal government poor. This resulted in falling behind in development during the period because of insufficient allocation of the budget. After that period, the state government has tried to maintain better relations with the federal government. Accordingly, the federal government currently supports the state government in developing the rural areas and the reduction of poverty.

In spite of these political and financial constraints, the state government of Sabah is pursuing other development policies to promote socioeconomic development in the state. The following is an overview of the development policies pertaining to the Eighth Malaysian Plan, poverty reduction, women and development, and the relationship with this study.

### **2.4.3 POVERTY REDUCTION POLICY**

Poverty reduction is an important issue in Sabah. According to the “Outline Perspective Plan Sabah” by the state government (OPPS, 1995~2010), the state aimed to reduce its poverty rate from 33.2% (19.8% in the urban area and 36.8% in the rural area) in 1993 to 20% (6.3% in the urban area and 27.3% in the rural area) in 2000, and later to 6% in 2010. The strategies to achieve this are as follows:

- (1) Economic development and expansion of job opportunities.
- (2) Improvement of accessibility to economic resources and job opportunities for the poor and the socially disadvantaged groups.
- (3) Improvement of accessibility to the basic services (health, education, water supply, and electricity), dissemination and training activities, improvement of socio-economic infrastructure, and commercial activities.

The programs to enforce these strategies need to be sustainable. Productivity and income improvement of the poor, capacity building in consumption, and strengthening of cooperation with NGOs or the private sector are emphasized. The “woman-headed households” issue is treated as one of the most serious problems and the state enhances the improvement of income through promotion of skills training and expanding their accessibility to various economic resources.

The state of Sabah established specific agencies and promoted various projects of poverty reduction through these agencies in the 1970s and 1980s. The state government agencies such as Rural Development Corporation (KPD) or the Sabah Rubber Fund Board are among these which have provided skills such as training of cash crop production and micro-finance services for the farmers. In the

1990s, AIM, the federal micro financing organization (NGO), started its services in Sabah. The micro-financing department of KPD became independent as YUM to specialize in services for women in the rural area.

Currently, poverty reduction programs are organized mainly by the Ministry of Rural Development (KPLB), considering the requests from district governments. The main projects are construction of roads, water supplies, and electrification. A “*one village, one industry*” project, based on the successful cases of Oita Prefecture of Japan, has also been promoted. Utilizing natural resources available in a village, village people start a small enterprise to produce for their own need in the beginning and later aim to expand the market to outside the village by gradually improving the quality of the products. The “one village, one industry” project has been implemented in three districts in the northern areas, namely Kudat, Kota Marudu, and Pitas. They produce jam, honey, bead accessories, and gongs among others. There have been limited monitoring and evaluation activities of the ongoing projects organized. These projects need to be improved based on the lessons learned from the improved monitoring and evaluation system.

The financial constraints in the state government budget have been brought up due to their insufficient human and financial resources, delayed technological innovations, incomplete monitoring of programs and projects, and lack of collaboration among the organizations and so on. Therefore, the government supporting agencies such as KPD and YUM achieved their initial goals to an extent. However, restructuring of these organizations is currently considered by the state government.

It is meaningful, in this study, to review the roles and the functions of these organizations in supporting rural women and to consider their capacity building, and then aim to strengthen their collaboration with KPLB, JHEWA and other federal government organizations, while observing the progress of the ongoing review of these state agencies done by the state government.

## **2.5 STATE GOVERNMENT ADMINISTRATION**

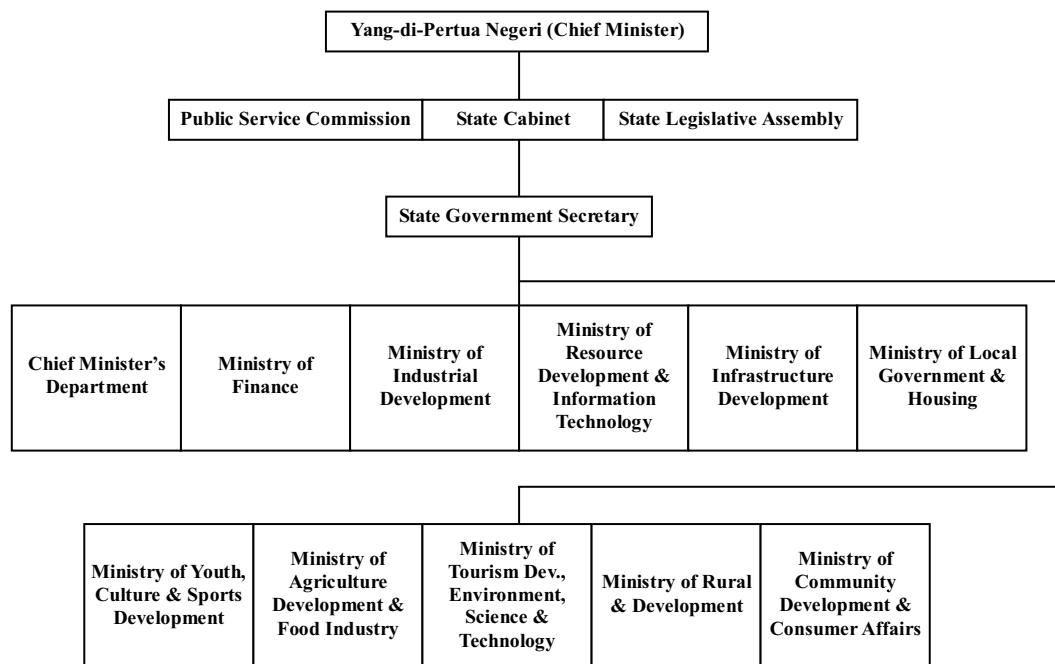
The administration systems of the local governments (state level, city/municipality level, district level and village level) of Sabah is summarized in the study with a focus on the downstream aspects of the system in the context of supporting rural women’s empowerment. The summary is as follows:



### 2.5.1 STATE GOVERNMENT

Under the Chief Minister elected by the local population every two (2) years and the Cabinet and the Assembly, the state government has 11 Ministries (Figure 2-7) which are:

- (1) Chief Minister’s Department.
- (2) Ministry of Industrial Development.
- (3) Ministry of Infrastructure Development.
- (4) Ministry of Culture, Youth and Sports.
- (5) Ministry of Tourism, Environment and Science Technology.
- (6) Ministry of Community Development and Consumer Affairs.
- (7) Ministry of Finance.
- (8) Ministry of Human Resources and Information Technology.
- (9) Ministry of Local Government and Housing.
- (10) Ministry of Agriculture and Food Industry.
- (11) Ministry of Rural Development.



**Figure 2-7 Administration Structure of the Sabah State Government**

### 2.5.2 CITY AND MUNICIPALITIES

Currently there are 21 districts, 10 sub-districts, one (1) city council (Kota Kinabalu) and two (2) municipal councils (Tawau and Sandakan). The city is administratively headed by a Mayor while the municipalities are headed by a President. 21 districts are headed by one (1) District Officer (DO) supported by

two (2) Assistant District Officers, one of whom is in the administration section while the other is in the development section.

### 2.5.3 DISTRICTS

A district office is under the jurisdiction of the state government. District officers are the senior government officers. Since the Ministry of Local Government and Housing is responsible for handling administrative matters while the Ministry of Rural Development (KPLB) deals with rural development matters, both ministries are closely related to the DO in the state administration (Figure 2-8). The DO's performance in the area of development is evaluated on an annual basis by KPLB via formal procedure. Their performance is evaluated partly based on their proposed project activity for the upcoming year and on their accomplishments while working on the project.

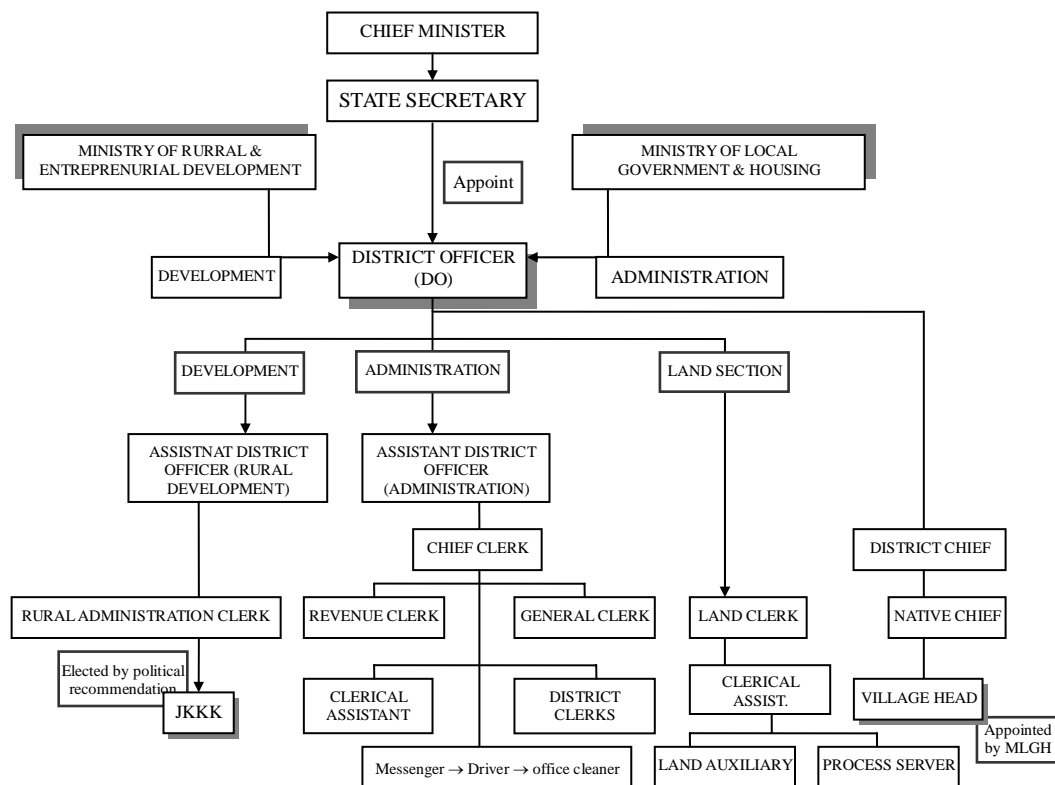


Figure 2-8 Administration Structure of the District Office in Sabah

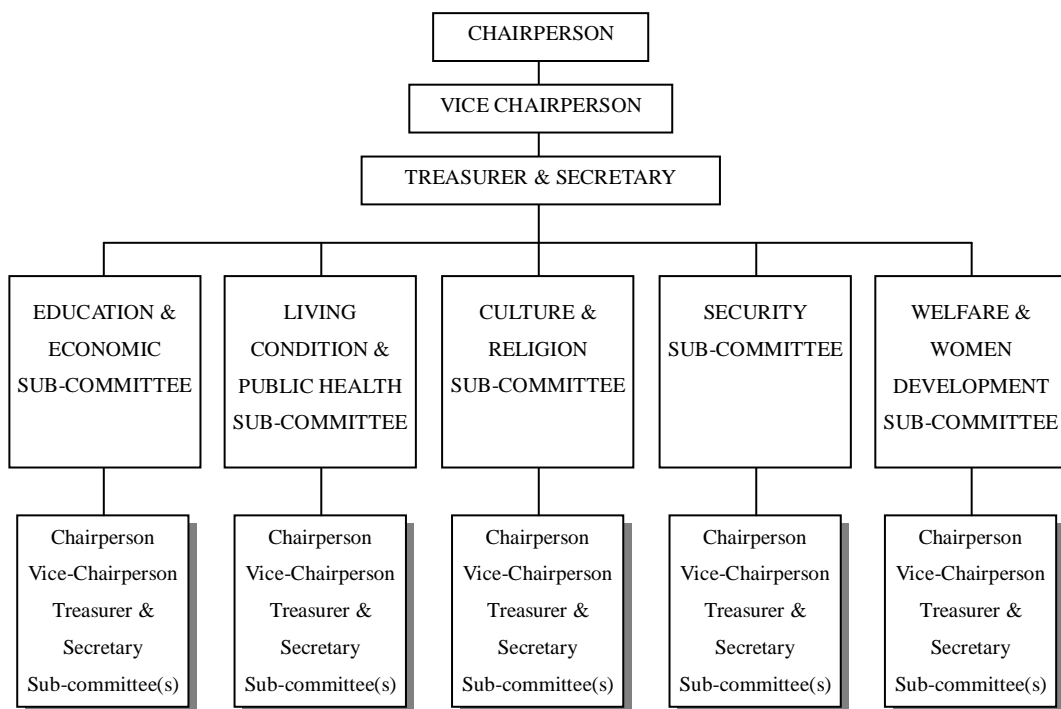
### 2.5.4 VILLAGES (KAMPONG)

There are about 3,000 villages in Sabah. Each village has a village head and a JKKK (Village Development and Security Committee) chairperson as community leaders. A village head is appointed by the Ministry of Local

Government and Housing and is in charge of social matters such as marriage and family issues. A JKKK head is elected by village people (sometimes appointed by KPLB) and is in charge of development and political issues in the village. Village heads, JKKK chairpersons, KANs (Native Chief) and WKANs (District Native Chief) are community leaders. They are responsible for a local custom-based judicial system.

A JKKK plays a crucial role in the decision making process at the village level. The JKKK has sub-committees under the chairperson, vice-chairperson, treasurer and secretariat (Figure 2-9), which are:

- (1) Education and economic sub-committee.
- (2) Life condition and public health sub-committee.
- (3) Culture and religion sub-committee.
- (4) Security sub-committee.
- (5) Welfare and women sub-committee.



**Figure 2-9 Administration Structure of a JKKK (Sample)**

The women’s perspective is, in principle, supposed to be reflected in the decision-making process because of the inclusion of the welfare and women sub-committee. However, it is said that women-related sub-committees are not necessarily active in addressing the problems faced by women in the villages.

## **2.6 INTERVENTIONS BY INTERNATIONAL DEVELOPMENT PARTNERS AND NGOS**

### **(1) OVERVIEW**

Development interventions of the international development partners were not obvious in the state of Sabah, because Malaysia is recognized as a middle-level developed country by them. In Sabah, there are still hard core poor groups living in the isolated area. Local NGOs, such as PACOS and SAWO, have been active in working with community members and/or rural women for their rural life improvement.

### **(2) JICA BORNEO BIO-DIVERSITY AND ECOSYSTEM CONSERVATION PROGRAM (BBEC)**

The Sabah state government and JICA have conducted the five-year joint program titled “Borneo Biodiversity & Ecosystems Conservation Program (BBEC)” since February 2002. The program aims at “establishment of comprehensive and sustainable conservation approaches for biodiversity and ecosystems” through the capacity building of the related agencies in management of the protected areas. In the context of the rural development, the program has been seeking possibilities for the rural people who lived in the isolated villages near the protected areas to live with their natural resources to improve their income generation activities.

### **(3) OISCA TRAINING PROGRAM AND ANTENNA SHOP**

OISCA-International is one of the NGOs that have been active in rural development. OISCA has worked with MAFI in agro-related training in Sabah for more than 20 years. It has training facilities with a dormitory in Tenom and has implemented agricultural leadership training for the youth and food processing training for the rural women in collaboration with KPD. They have produced approximately 1,000 youth graduates. Some of the graduates, after completing the courses in Tenom, are chosen to be sent to the training in the OISCA center in Japan. The graduates return to their own villages and play an important role in the agro-related activities. Additionally, OISCA has an antenna shop for their organic vegetables and fruit.

## **CHAPTER 3: AGRO-RELATED SECTORS**

### **3.1 AGRICULTURE DEVELOPMENT POLICY**

#### **3.1.1 THIRD NATIONAL AGRICULTURAL POLICY**

Under the Third National Agricultural Policy of Malaysia (NPA3), to cope with the economic crisis in 1998, the country is promoting efficient farming, commercially processed food products from farm produce, technical innovation with self-sufficiency, and promotion of exports as the main measures. Increasing food production for domestic consumption has been emphasized more in agriculture, livestock farming, and fisheries. NPA3 is the basic policy of the agricultural sector in Malaysia as it arises from the federal Ministry of Agriculture and the Ministry of Primary Industry. The Former Prime Minister, Mohamad Mahatir clearly stated “agriculture of the country plays an important role in development of the country”. NPA3 indicates the framework of policy in the future together with the vision that the country will join developed countries by 2020.

NPA3 states that the country will become a leader in the field of agriculture in the tropics with the three strategies which are:

- (1) to develop new industry utilizing the rich national resources.
- (2) to develop new products utilizing agricultural produce, its waste, and its by-products.
- (3) to create new agricultural produce markets to increase income from exports.

Besides, it also states as important policies: to improve quality and safety in the main food product market; to practice sustainable and complex development of agriculture and forestry; to secure human resources for promotion of large scale complex agriculture management; to build a foundation and infrastructure for agricultural development and promote private sector investment; to strengthen public services to support private enterprises; and to activate agriculture and forestry by promoting industrial and agricultural processed goods.

#### **3.1.2 SECOND SABAH AGRICULTURAL POLICY**

The state of Sabah is operating agricultural activities under the Second Sabah Agricultural Policy (SAP2) written along NPA3. The First Sabah Agricultural Policy (SAP1) was promoting commercial product farming. However, with the economic crisis during the term, it was revised into SAP2 to strengthen food crop

farming. Through innovation of sustainable production technology and effective use of resources, SAP2 aims to activate the regional agriculture sector and enhance international competitiveness by increasing income of those in the region. The actual approaches to achieve the goals are, 1) research and development promotion and introduction of new products; 2) application of information technology; 3) improvement of production technology; 4) improvement of quality of human resources; 5) raising private farming product processing firms; and 6) utilizing regional agricultural resources.

To implement each of these approaches, SAP2 emphasizes the importance to clearly indicate directions and policies for farming, livestock farming, and fisheries, to facilitate modernization and commercialization of the agricultural sector, and to pursue reforms into an active and competent agricultural sector. At the same time, integration of village development strategy and produce expanding strategy, coordination of activities to strengthening productivity and efficiency, priority for basic economic infrastructure, coordination of administration at the state, district and village level, sustainable use of most appropriate lands and resources, and privatization, should be promoted.

## 3.2 MAJOR ACTIVITIES AND PRODUCTS

### 3.2.1 OVERVIEW

The proportion of Agriculture, Forestry, and Fisheries in GDP is shown in Table3-1. The proportion of agriculture and livestock farming increased until 1999, and then decreased by a large amount in 2000. Forestry productivity is decreasing and fisheries productivity remains almost the same.

**Table 3-1 GDP by Sector (Unit: RM Million)**

Sector	1996	1997	1998	1999	2000	2001
Agriculture & animal husbandry	2,928 (18.07%)	3,495 (21.26%)	4,020 (24.30%)	4,502 (25.73%)	3,025 (16.32%)	2,814 (15.88%)
Forestry	1,771 (10.93%)	1,344 (8.18%)	1,151 (6.96%)	940 (5.37%)	1,157 (6.24%)	693 (3.84%)
Fishery	473 (2.92%)	577 (3.51%)	602 (3.64%)	588 (3.36%)	590 (3.18%)	574 (3.18%)

(Data Source: Yearbook of Statistics Sabah 2002)

Note: Figures in the parenthesis show the percentage in the entire GDP

### 3.2.2 AGRICULTURE

Agriculture in the state specializes in industrial produced palm oil, cocoa, and rubber that are shipped to other states. Palm oil, which amounts to 50% of the total produce of the country, is the main produce of the state. It accounts for 93% of agricultural produce shipped to other states (2000, Agricultural Statistics of Sabah 1999-2000).

**Table 3-2 Farm Land Areas by Product (in 2000) (Unit: ha)**

Division	Industrial crops							Total
	Rubber	Coconuts	Oil palm	Cocoa	Coffee	Paddy	Others	
Kudat	13,250.5	11,438.9	10,030.0	129.0	66.4	10,264.0	6.2	45,185.0
West Coast	29,172.0	769.8	4,077.3	2,534.0	280.5	15,370.0	368.2	52,571.8
Interior	34,729.0	1,138.3	23,727.8	6,183.8	2,029.3	12,045.0	697.7	80,550.9
Sandakan	7,532.4	1,407.2	532,515.6	5,789.4	74.3	2,349.0	1.3	549,669.2
Tawau	6,127.7	8,640.8	400,364.6	44,917.7	1,669.0	61.0	117.6	461,898.4
Total	90,811.6	23,395.0	970,715.3	59,553.9	4,119.5	40,089.0	1191.0	1,189,875.3
Possession	7.63%	1.97%	81.58%	5.01%	0.35%	3.37%	0.10%	100.00%

(Data Source: DOA Crops Statistics Report 2000)

On the other hand, the state cannot supply products such as rice and corn for its own needs. 24 % of rice land is dry-field rice which relies on rain and yields less than wet-field rice. Rice farming is mainly for self-sufficiency and any surplus is bought by the Rice Farmer's Association with additional subsidy. However, since the total quantity is still too small, rice from Thailand and Vietnam comes into the urban market.

The theme of the state for the near future is efficient farming of commercial produce and improvement of the degree of self-sufficiency by increased and diversified food production. Cultivated areas of agricultural produce by region are shown in Table 3-3; the trend of agricultural produce export is shown in Table 3-4; and cultivated areas of vegetables and fruits by region are shown in Table 3-5 and Table 3-6.

**Table 3-3 Trend of Export by Product (1999-2002)**

Item	1999		2000		2001		2002	
	Quantity (ton)	Price (RM '000)	Quantity (ton)	Price (RM '000)	Quantity (ton)	Price (RM '000)	Quantity (ton)	Price (RM '000)
Palm Oil	3,047,261	4,488,199	3,418,208	3,506,492	2,020,089	1,586,020	1,948,782	2,288,153
Cocoa	54,866	242,799	36,917	120,225	19,139	65,681	12,855	60,647
Coconuts	4,327	8,290	11,776	11,825	—	—	—	—
Rubber	29,828	67,269	24,981	62,266	10,078	23,358	12,550	29,056
Other product	—	43,866	—	55,191	—	—	—	—
<b>Total</b>	<b>3,136,282</b>	<b>4,850,423</b>	<b>3,491,882</b>	<b>3,755,999</b>	<b>2,049,306</b>	<b>1,675,059</b>	<b>1,974,187</b>	<b>2,377,856</b>

(Data Source: Agricultural Statistics of Sabah 1999-2002)

**Table 3-4 Farm Land Areas by Vegetable Product (Unit:ha)**

Division	Year	Vegetable						
		Kidney	Long bean	Kale	Spinach	Sponge cucumber	Pumpkin	lettuce
Kudat	2000	0.8	12.6	0.5	5.3	6.8	7.7	2.0
	2002	0.4	17.6	-	11.3	9.2	3.8	-
West Coast	2000	25.3	53.1	30.9	27.9	16.1	52.7	50.8
	2002	33.1	35.0	68.5	26.3	24.7	6.7	2.0
Interior	2000	18.7	22.7	17.0	26.6	11.2	4.5	0.4
	2002	26.3	39.1	9.9	26.8	36.1	10.0	-
Sandakan	2000	3.6	25.6	2.0	5.6	12.2	10.5	-
	2002	10.8	29.4	-	0.6	7.3	3.2	-
Tawau	2000	6.0	14.3	7.0	7.3	5.4	9.2	4.0
	2002	5.8	18.8	-	34.4	18.4	13.8	-
Total	2000	54.4	128.3	57.4	72.7	51.7	84.6	57.2
	2002	76.4	139.9	78.4	99.4	95.7	37.5	2.0

Division	Year	Vegetable					Total
		Mustard	Chinese Mustard	Chinese Cabbage	Cucumber	Others	
Kudat	2000	2.9	2.0	1.5	16.4	23.5	82.0
	2002	9.0	-	-	9.2	-	60.5
West Coast	2000	114.9	49.1	79.5	39.8	487.9	1,028.0
	2002	40.8	-	40.5	24.7	-	302.3
Interior	2000	55.1	39.6	49.0	31.2	103.6	379.6
	2002	40.2	-	-	36.1	-	224.5
Sandakan	2000	7.0	6.4	4.8	22.6	21.1	121.4
	2002	16.2	3.2	-	7.3	-	78.0
Tawau	2000	23.2	7.0	15.0	7.1	53.2	158.7
	2002	24.4	-	-	18.4	-	134.0
Total	2000	203.1	104.1	149.8	117.1	689.3	1,769.7
	2002	130.6	3.2	40.5	95.7	0.0	799.3

(Data Source: DOA Crops Statistics Report 2000, 2002)



**Table 3-5: Farm Land Area by Fruit Product (Unit:ha)**

Division	Year	Fruits					
		Star fruits	Papaya	Jack fruits	Durian	Langsat	Sweet orange
Kudat	2000	4.5	3.0	122.9	35.2	24.2	13.1
	2002	1.8	10.5	80.3	72.2	52.6	29.0
West Coast	2000	25.8	51.0	420.5	1,174.3	480.5	20.8
	2002	23.4	72.7	159.0	1,573.0	632.4	60.0
Interior	2000	14.9	31.9	534.3	1,078.6	210.5	351.4
	2002	16.6	13.2	47.6	1,148.6	233.9	304.2
Sandakan	2000	2.3	8.6	152.7	265.6	143.2	24.8
	2002	2.3	1.8	85.4	265.6	151.2	19.9
Tawau	2000	23.3	59.8	309.0	783.8	175.5	51.4
	2002	28.5	35.7	137.3	752.0	159.7	61.5
Total	2000	70.8	154.3	1,539.4	3,337.5	1,033.9	461.5
	2002	72.6	133.9	509.6	3,811.4	1,229.8	474.6
Division	Year	Fruits					Total
		Mango	Pineapple	Banana	Rambutan	Other	
Kudat	2000	119.1	25.3	173.9	41.0	76.0	638.2
	2002	119.7	32.5	383.5	85.4	12.9	880.4
West Coast	2000	393.7	753.6	3,892.5	424.1	285.2	7,922.0
	2002	453.9	1,009.5	3,785.8	564.0	151.3	8,485.0
Interior	2000	143.0	129.0	740.8	395.1	255.8	3,885.3
	2002	152.2	161.1	495.4	424.0	52.5	3,049.3
Sandakan	2000	136.4	22.9	209.3	219.4	147.0	1,332.2
	2002	168.3	20.3	208.4	260.4	24.4	1,208.0
Tawau	2000	211.0	73.0	948.8	476.2	339.5	3,451.3
	2002	197.0	41.3	601.4	490.8	29.0	2,534.2
Total	2000	1,003.2	1,003.8	5,965.3	1,555.8	1,103.5	1,722.9
	2002	1,091.1	1,264.7	5,474.5	1,824.6	270.1	16,156.9

(Data Source: DOA Crops Statistics Report 2000, 2002)

### 3.2.3 FISHERIES

The coastal waters are rich in fishery resources, and various fish such as groupers, and prawns, shellfish and seaweeds, are harvested. Cultivation technology is expected to be introduced as well. Although fishery is a sector with much expectation, its contribution to GDP is still only around 3%. Seafood is important as a source of protein for the people in the area for its relatively cheap market prices and also good quality protein. There is potential for some expensive fish as an export resource. Promotion of fisheries is very important in view of development in primary industries.

The coast fisheries resource of the state is rich from east to west. Estimated population engaged in the fisheries industry was around 20,000 in the year 2000.

The catch is increasing every year. Fishing implements used in the area are trawls, long haul seines, drift nets, fishing rods, and traps among others.

Prawns are cultivated in farms in Tawau, in the east coast where fish farming is very common. Prawns are landed by trawl fishing boat. The catch by port is 3,080 tons at Sandakan, 2,722 tons at Tawau, 1,140 tons at Kudat, and 980 tons in the West Coast. Freshwater fish farming is common everywhere in the state. Tilapia and carp are cultivated. Most of them are sold in the area. The seaweed farming center is Semporna where the Department of Fishery (DOF) supports the industry by training people. In Banggi Island of the Kudat area in the north, the Borneo Marine Research Institute of the University of Malaysia, Sabah, has began seaweed farming activities as a part of a poverty reduction project.

### 3.2.4 LIVESTOCK FARMING

The main livestock in the state are cattle, buffalo, goats, pigs, sheep, and poultry. Based on the report by the Department of Veterinary Services and Animal Husbandry Industry (DOVSAI) in 2000, estimation of livestock farming data are in Table 3-6.

**Table 3-6 Trends of Livestock Production (1996-2001) (Unit: head)**

	1996	1997	1998	1999	2000	2001
Cattle	37,582	39,000	45,200	44,837	4,700	40,530
Buffalo	49,850	48,000	52,450	50,741	52,000	52,000
Pig	108,000	110,000	85,000	100,000	93,400	112,224
Goat	31,437	31,000	36,910	37,285	41,000	27,839
Sheep	1,700	1,800	1,900	1,900	2,000	1,720

(Data Source: Crops Statistics Report 2002)

A large amount of beef is imported from Australia and New Zealand to meet the needs for celebration after Ramadan, Chinese New Year, and Christmas feast. DOVSAI encourages farmers in the area to grow more livestock to reduce the dependence on beef imports. DOVSAI supports dairy farming, pig farming, and poultry farming through various projects.

### 3.2.5 FORESTRY

Forestry used to be the main industry of the state. However, production fell due to depletion of forest resources and attendant environmental issues. The proportion

of forestry in GDP fell from 11% in 1996 to 4.3% in 2000. Recent timber exports are shown in Table 3-7.

**Table 3-7 Export Volume of Timbers of Sabah (1999-2002)**

	1999	2000	2001	2002
Export ('000 ton )	881.1	830.1	559	239
RM ('000)	989,842	988,027	626,979	257,161

(Data Source: Crops Statistics Report 2002)

The promotion of the forestry industry to meet the timber demand is needed in view of environmental issues. The forestry industry will have to seek markets for by-products or new and unused resources. There are 7,371,267 ha of forest conservation area which is comprised of state forests, national parks, and others. By district, the forestry area is 212,329 ha in Tawau and 77,235 ha in Sandakan. Conservation forestry areas in Tawau and Keningau are also used for commercial purposes. Timber from these areas is shipped to overseas markets as well as to meet domestic demand.

### 3.2.6 FOOD PROCESSING

Sabah has been a supplier of raw material to the food industry. Palm oil, Cocoa and Coconuts have been major commodities. However, the weak points of supplying semi processed products pointed out are; 1) dependence on monopolized buyers, 2) influence of international price fluctuation, and 3) low commissions and low margins. The government encourages the rural villagers to produce processed foods in order to earn more profit.

Producers from the rural areas have to take into account the level of skills and technology needed in food processing. The Study Team classified the different types of processed food by its suitability as a product for rural women's business as shown in Table 3-8.

**Table 3-8 Classification of Processed Foods**

Type of food	Item	Character
Dry type processed food	Snacks, Noodles, Cookies, Biscuits, Coffee beans, Chocolate	Industrial food, good packages, requires advanced technology
Wet type processed food	Pickles, Local cakes, Cakes, Raw honey, Bread, Roast ground nuts, Local condiments	Short shelf life, Easy packing, Targeting local consumers
Cooked food	Lunch boxes, Hot dishes in Restaurants	Targeting local consumers, Fast circulation
Semi processed food	Sun dried fish, Coco, Cacao, Paddy/White rice	Semi product, Mass products

(Data Source: Prepared by the JICA Study Team)

Most of the dry type processed food at the supermarkets such as snacks and noodles are purchased outside the Sabah State. Based on observation, the majority of dry processed foods are from Johor Baru State and Selangor State in the Malay Peninsula. It is expected modernized factories will be needed in order to produce well packed dry processed foods. In addition, systematic procurement of raw material and a sustainable customer base are necessary to keep manufacturing machines running.

Processed foods made in Sabah are largely wet type which have a short shelf life and are targeted to the local consumers. However, the consumers in Sabah tend to prefer products of known quality and sanitation. They select well-packed processed foods with attached quality certification rather than local processed foods, even if the local products are cheaper. It is hard for rural women to compete with well packed processed food produced at modern factories.

On the other hand, the some local consumers prefer the freshness and particularity of local products. Thus it is necessary for rural processed food factories to consider a suitable marketing strategy taking into consideration the strong points of originality and freshness.

### 3.2.7 AGRO-TOURISM

Sabah has a lot of potential for tourism. The Ministry of Tourism and the Sabah Tourism Board (STB) is in charge of promoting the tourism industry. They have developing rural areas, such as Kinabalu Park, Tunku Abdul Rahman Park and so on as tourism spots. STB has developed potential tourist areas to meet the demand of foreign tourists by improving the facilities and also through advertising. The

tourism development policy puts more emphasis on marketing rather than the rural community.

Since the demand in agro-tourism was observed, MAFI created the Agricultural Park in Tenom. Public relations need to be strengthened to invite more tourists to this park and it is desirable to consider how to share the benefits produced by the park with the community members.

KPLB has also promoted the concept of “*one village, one industry*” as a strategy for rural development which includes agro-tourism. Large monuments of unique and original local products were constructed at the district offices. Apart from that, festivals were planned by respective regions with the support of the local councils. Incidentally, the name of the promotion is similar to the Japanese “*one village, one product movement*” even though the concept and approach is very different.

Despite these government efforts to promote agro-tourism, the gap between the promotion and the reality of the lives of the rural people is getting larger. Community members are not given the chance to participate in business opportunities arising from the tourism industry. STB can not afford to train the rural population due to the shortage of manpower. In other words, there are few specialists who are engaged in rural development that know how to get the people involved in the tourism industry properly. There are no systematic functions or roles in STB to cater for the development of the people involved in rural oriented tourism. Even when STB supplies villages with facilities such as buildings and toilets, the villagers do not know how to manage these facilities. It has been observed that human development education is given a low priority.

Since STB realized the demand and potential for rural agro-tourism, they encouraged the rural people to develop the “*one village, one industry*” program and the home stay program. The rural population received the ideas and have been making efforts to develop these programs. Extension workers from DOA, KPD and KEMAS have helped villagers develop the tourism industry according to their respective fields, such as in handicraft making. However their help has been on an ad hoc basis, and therefore, has not been well organized.

The JICA Study Team conducted a survey on tourist demands (See Data Book Section 4: Survey Summaries). The major concerns of tourists are as follows;

- Poor sanitary facilities such as dirty toilets.
- Not enough concern for the natural environment.

- Tourist information guide with limited practical information.
- Lack of transportation means.
- No transport information for independent travelers.
- More expensive than neighboring countries.
- Low quality of handicraft.

According to the survey, most visitors come to Sabah to enjoy its natural resources – beaches, forests, mountains, rivers, plants and animals. Five-star hotels fulfill the needs of their visitors in regards to the facilities and services they provide. However, the industry is not diversified enough to meet the various needs of the tourists. Ethnic cultures and traditional agro-related products are not well promoted. Even though the tourists expect to be exposed to agro-tourism, it is difficult to reach certain areas due to inadequate transportation systems. The services provided by the rural villages need to be improved to attract more tourists.

### **3.2.8 HANDICRAFT**

Handicrafts, such as weaved baskets, have long been produced by rural women as necessities of daily life. There have been increasing moves to sell handicraft as souvenirs. The handicraft market is regarded as one of the possible markets for rural women entrepreneurs.

Although efforts are made to promote handicraft, due to the isolated location of the villages, the villagers do not know what the tourists want. The government and non-government organizations have tried to support rural women's activities, but their marketing development strategies are not strong enough.

Purchasing raw material is a big issue. In case of rattan for making baskets, the rural dwellers have to go deep into the forest to collect rattan. It is said that the quantity of raw material is declining and leading to an increase in the price of handicraft. Some of the raw materials are even imported from foreign countries. In case of bead products, the beads have to be bought at the markets or shops in KK.

The people need to consider a sustainable way of taking raw materials. At the same time, there are many opportunities to employ currently unused resources. While looking around the villages, they might find valuable raw materials. The value added of handicraft products and improvement of traditional manual processing should be considered when they want to increase their earnings.

### **3.3 MARKET AND DISTRIBUTION OF AGRO-RELATED PRODUCTS**

#### **3.3.1 DISTRIBUTION OF RURAL AREAS**

Rural areas in the state of Sabah are located along the north-south line from the Kudat, Kota Marudu and Pitas Districts in the north to the center of Kota Kinabalu District and Penampang District, and the east-west line from Kota Kinabalu to Sandakan and Tawau. As shown in Table 3-9, 305,383 people or 86.2% of the population of Kota Kinabalu District, and 118,237 people or 90.4% of the population of Penampang District, live in the urban areas and make up the center of the population and the business. Small local towns are scattered in the Kudat Division in the northwest and the Interior Division in the southwest, which are along the mountains ranging from the north to south. In general, the Malays and indigenous ethnic groups traditionally did not have highly organized villages, so most of the local towns in the west are small. These towns have populations of less than 30,000 apart from Keningau, whose population is 43,870. On the other hand, there are comparatively larger cities in the east. Sandakan District has a city with a population of 275,375, which is 79.3% of the district's inhabitants, and Tawau District has a city with a population of 213,903, 70.2% of its inhabitants.

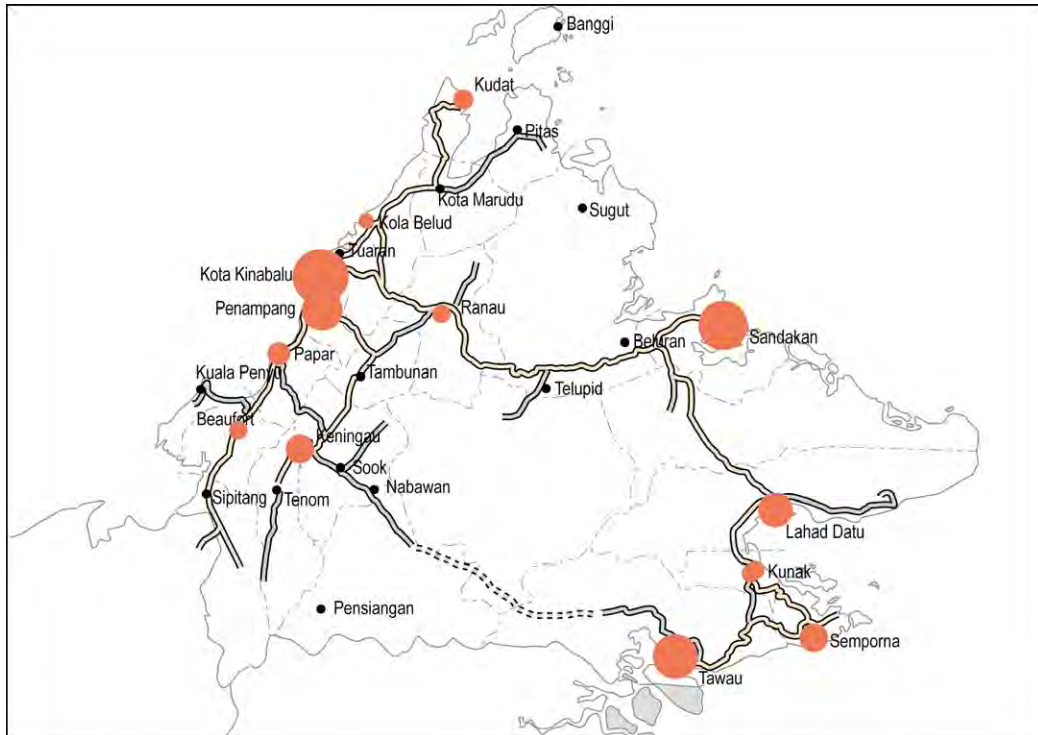
**Table 3-9 Urban and Rural Population by District**

		Population			Ratio (%)		
		Urban	Rural	Total	Urban	Rural	Total
Kudat Division	Kudat	26,746	41,496	68,242	39.2	60.8	100
	Kota Marudu		58,841	58,841	0.0	100.0	100
	Pitas		30,854	30,854	0.0	100.0	100
West Coast Division	Kota Kinabalu	305,382	48,771	354,153	86.2	13.8	100
	Ranau	15,648	55,001	70,649	22.1	77.9	100
	Kota Belud	10,114	62,223	72,337	14.0	86.0	100
	Tuaran		82,212	82,212	0.0	100.0	100
	Penampang	118,237	12,572	130,809	90.4	9.6	100
	Papar	27,597	59,052	86,649	31.8	68.2	100
Interior Division	Tambunan		27,852	27,852	0.0	100.0	100
	Keningau	43,870	101,892	145,762	30.1	69.9	100
	Tenom		46,202	46,202	0.0	100.0	100
	Beaufort	12,504	49,194	61,698	20.3	79.7	100
	Kuala Penyu		16,511	16,511	0.0	100.0	100
	Sipitang		29,311	29,311	0.0	100.0	100
	Nabawan		23,890	23,890	0.0	100.0	100
Sandakan Division	Sandakan	275,375	71,959	347,334	79.3	20.7	100
	Kinabatangan		86,783	86,783	0.0	100.0	100
	Beluran		70,900	70,900	0.0	100.0	100
	Tongod		20,646	20,646	0.0	100.0	100
Tawau Division	Tawau	213,903	90,985	304,888	70.2	29.8	100
	Lahad Datu	74,601	81,458	156,059	47.8	52.2	100
	Semporna	43,311	64,925	108,236	40.0	60.0	100
	Kunak	15,602	32,969	48,571	32.1	67.9	100
	Total	1,182,890	1,266,499	2,449,389	48.3	51.7	100

(Data Source: Preliminary Count Report for Urban and Rural Areas, Department of Statistics Malaysia, 2000)

Many agricultural products such as paddy, grain, beef and others are imported through ports in Kota Kinabalu, Sandakan and Tawau and these products are transported to the rural areas based on demand. Local agricultural products are also transported via big cities which are mainly located along the sea. Apart from this, some towns such as Ranau, Kota Belud and Keningau, function as unique hubs for land carriage.





**Figure 3-1 Distribution Points in Rural Areas**

### **3.3.2 TAMU IN SABAH**

#### **(1) MARKETS IN SABAH**

A public open-air market or “Tamu” in Sabah has been functioning as a major trading place for both consumers and retailers even though private shopping malls are increasing in bigger towns and cities such as Kota Kinabalu and Tawau.

The public markets, which open from early morning until night, are crowded with people every day. The public market buildings were established by the central Malaysian government in the 1960s and the respective municipal councils have been operating them respectively. Since the facilities are old and the level of hygiene is not good, some of the markets, for example in Tawau, Semporna and Beaufort, were newly reconstructed, and there are plans for some others, for example in Kota Kinabalu and Sandakan, to be reconstructed in the near future.

The following issues are emphasized:

- The location of a new public market is important in order to attract people, otherwise business will decline.
- The layout should be suitable for the movement of the visitors, otherwise the traders will complain about the location.

- There is dispute regarding whether it is good for both wholesalers and retailers to conduct their businesses at the same market. It might be better to separate the two functions.
- Higher operation costs are expected in modern facilities. However, the rental fee of stalls is still a very sensitive issue for the traders.
- Related agencies should consider the innovation of the roles and functions of public markets in their areas.

The point stressed here is that each market should consider what the functions of the market are, and who the target beneficiaries or users are. With regards to rural women entrepreneurs, the Tamu might be a more suitable place to start a business.

## (2) TAMU IN DISTRICTS

A weekly open market called Tamu, which is typified in Kota Belud, was originally established for the purpose of trading water buffalo by the British and developed into a local market using barter trade between the Bajau ethnic group who catch fish and the Dusun who produce fruit and vegetable. Tamus expanded all over Sabah. Most major towns have allocated spaces for Tamus. The municipal councils grant permission to sell and charge between RM2 and RM5 per day to rent lots. The fee is fixed depending on the size of the space and the commodities the traders sell – the charge for selling wet goods is a bit higher due to the need to use water and sanitation facilities. Municipal councils in major towns operate between two to four Tamus on different days of the week according to a rotation system. Table 3-10 shows a rough idea of the Tamus in Sabah.

**Table 3-10 Size of Land Used, and Number of Sellers at the Tamus**

	<b>KPD TAMU</b>	<b>Penampang</b>	<b>Kota Belud</b>	<b>Keningau</b>
Size of TAMU	1.2ha	1.2ha	3.3ha	2.8ha (inc. parking)
Number of Sellers	131	200	200-500	200-300

(Data Source: KPLB)

According to a FAMA staff member in Keningau who monitors prices, a farmer selling vegetables can expect gross sales of approximately RM100 per TAMU. Farmers selling rice make about RM200 in gross sales per day but due to the milling fee, the profit is similar to those selling vegetables. It is observed that fruits are more profitable than vegetables. Average gross sales of a seller at the Tamu in Kota Belud, is about RM100 per day per person. One of the women

selling fish, which her husband catches, makes RM30 - 60 in gross sales per day. She also sells at other Tamus depending on the schedule.

However, the function of Tamu has been changing day by day. The methodology of trade changed from barter to cash; commodities being sold change in accordance with preferences of the customers. The traders and wholesalers who deal with large amounts of commodities tend to make contracts with individual farmers. Due to this, they seldom purchase raw materials at the Tamus. Therefore, KPD also expects KPD Tamu to play the function of a place which provides opportunities as a meeting point for potential traders and producers to exchange business contracts.

Apart from the above, consumers go to supermarkets, which are more hygienic and have a constant variety of products. The demand for local cakes is decreasing. It is necessary to improve sanitation in order to meet with the needs of the consumers. KPD is encouraging small scale producers to improve their packaging through the improvement of hygiene.

The reason individual customers visit Tamus has also changed from just buying necessities to casual shopping for enjoyment. They enjoy the open market atmosphere and enjoy talking and negotiating with the farmers from villages.

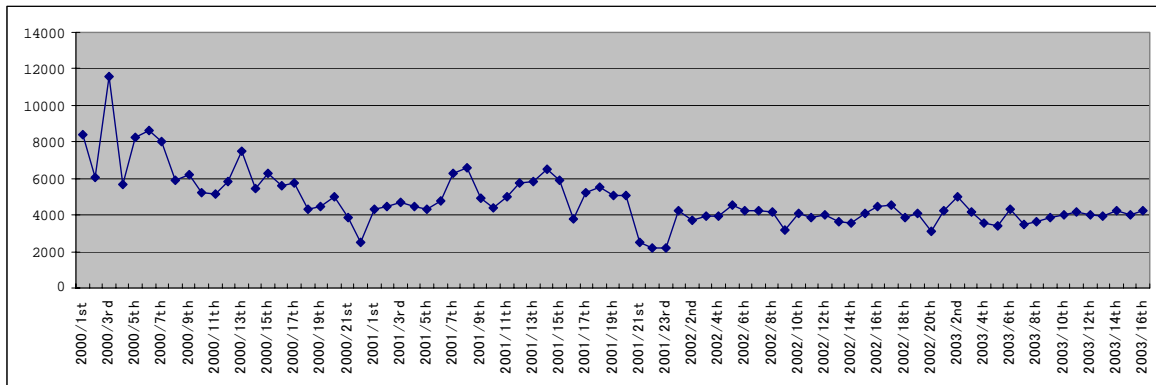
As mentioned above, the Tamu function is going to diversify. It is necessary to analyze Tamu and to classify each Tamu by character, such as the size of the Tamu, its location, type of visitors and type of commodities, in order to attract the interest of the visitors. Visitors have different points of view on Tamus. Tamu operators should take into consideration, not only the convenience of the farmers but also of the consumers. It is time to consider how to create a consumer oriented market.

The Marketing Task Force members discussed how to improve Tamu and selected KPD Tamu as the site for the pilot project.

### **(3) KPD TAMU**

KPD Tamu, which runs every two weeks, mainly deals in agricultural products. 33 stalls out of 131 are run by KPD projects. KPD projects have approximately RM22,000 turnover per Tamu on average. 10-15% of that turnover is estimated as the net profit of the KPD projects. The selling price is fixed by the KPD marketing department according to current market prices from the previous

Friday. The prices are shown on the information board at the KPD Tamu. The average number of visitors for the year 2002 is 3,978 per Tamu.



**Figure 3-2 Fluctuation of the Number of Visitors at KPD Tamu**

KPD counts the number of visitors who visit each Tamu and conducts a survey every three (3) months. About 88% of customers come to KPD Tamu using their own vehicles. Due to its location away from the center of town, the income of customers who visit the Tamu is between RM1,000-2,500 per month, which is above average. The total amount of tenant fees collected from the sellers is approximately RM300 per Tamu. Although most projects are financially independent, the tenant fees alone are not enough to pay for the utility bills or meet the cost of maintenance of facilities and equipment. In order to play a role in social welfare, KPD Tamu provides the space and necessary utilities to the sellers at a low price. There is on-going discussion on the function of KPD Tamu which should be strengthened as a government supporter of rural farmers. The function of KPD Tamu needs to be improved as an antenna center of rural women's sales activities, which connects consumers with the rural area.

Through the Pilot Project, KPD Tamu has achieved three main expected outputs, 1) Education and training; the organization structure for operating a training program in hygiene, packaging, labeling and others is established 2) Designing demonstrations; Tamu plays a role as a site for conducting demonstrations and events for sales promotion of rural products, and has become a stronghold for the gathering and spreading of information 3) Marketing/Monitoring survey; Tamu operational authorities have acquired the ability to utilize modern marketing strategies, and monitor the activities of sellers.

### **3.3.3 TRADING IN RURAL AREA**

#### **(1) CONTRACT FARMING AND FREE MARKET**

The government support for marketing in the agriculture sector has been to buy raw materials or products from farmers, not to teach the farmers how to negotiate with private traders. KPD, which is a government body, sometimes competes with private traders when purchasing agriculture products and complains about unfair practices by the private sector. For example, after KPD succeeds in developing agricultural products with contract farmers, the private traders purchase it from them at a good price and this destroys the mutual trust between KPD and the farmers. It is observed that traders sometimes cause confusion among the farmers. On the other hand, the supported monopolized trading system introduced by KPD has not succeeded in encouraging farmers to be independent. KPD is in a dilemma regarding sustaining fair trade among the players.

As the private sector grows more vital, the role of government agencies is changing. It would be more important to teach the rural folk about the real market system than to buy the products from them through subsidies. Producers need understand about the real market and be more independent of direct government support; otherwise they will lose out on the business competition of the free market. The rural population needs more practical lessons to adjust to the real market. There is also room for improvement in the government support system in marketing.

#### **(2) TRADE OF RURAL WOMEN'S BUSINESS**

In general, suitable marketing strategies for promoting processed food businesses handled by rural women needs to be promoted through developing closer relationships with customers. Mutual understanding between producers and consumers might be created through direct contact. Consumers feel confident about hygiene and quality when they recognize the producers. Another expected effect of the introduction of the producer is the increase in their self-confidence. They should have self-confidence and make efforts to create mutual trust. Apart from that, learning about the real market mechanism gives them a good opportunity to realize the importance of maintaining the quality of their products. However, most women producers in Sabah concentrate on production and seldom have the chance to listen to the voices of their consumers.

Producing processed foods is regarded as suitable for rural women's business. As for semi processed foods, producers do not need to have to abide by specific regulations apart from those concerning slaughtering. Milling rice for self-consumption, dried seaweed, and sun dried fish is suitable for women to handle even though the profit margin is small.

The target market of the rural women's businesses is the local communities. Most of them started their businesses on a small scale, using their knowledge and strong capabilities. They do not like taking loans unless the business prospects are good enough. Women produce traditional snacks and/or cakes in their own kitchens, which they learned how to make from their mothers. Under the KPWM project which is handled by DOA, extension workers have taught them food handling and business management skills. Another function of DOA is to purchase their products on a regular basis. According to the women participants who have participated in KPWM activities, the support is more on production than on human development.

DOA formulated the PKT project in the 1980s, which is a predecessor of the KPWM project. Most of the group members are involved in individual businesses as opposed to business cooperation with the other group members. There is a limitation in the labor force. Their businesses can not expand larger than being a family business. If they wish to expand their businesses more effectively, they should find reliable business partners who can share in the roles of purchasing, processing, selling, accounting, and so on. It is necessary for DOA to consider how to transform family businesses into company businesses. Rural women need to learn how to organize modern business systems, which includes personnel management.

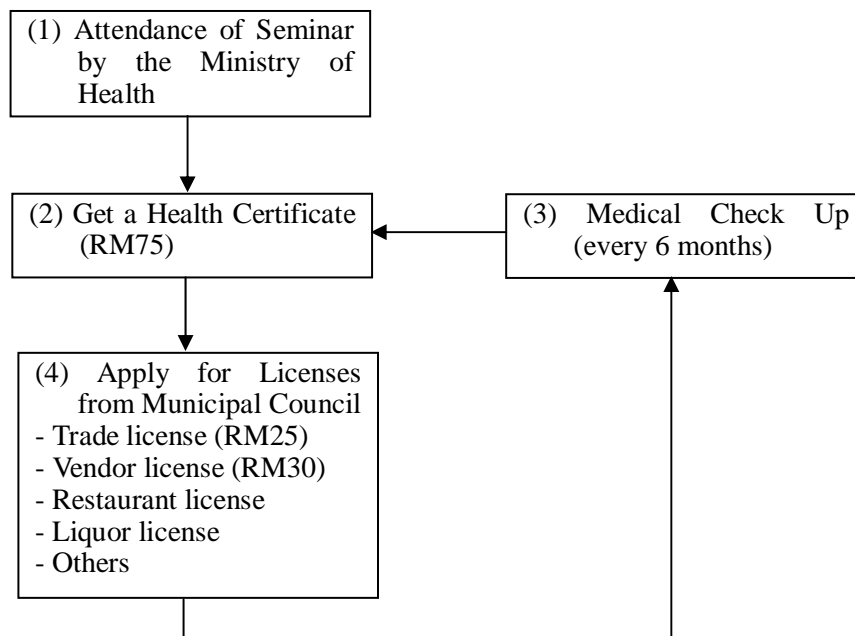
Apart from enhancing individual woman's businesses, the government plays a role in community development. The government needs to consider how to expand their beneficiaries to the neighboring inhabitants.

#### **3.3.4 QUALITY CONTROL OF AGRO-PRODUCTS**

The figure shown below shows how to start a food related business. The people who are planning to start a food business must attend a seminar by the Ministry of Health and get a health certificate. Without this qualification, one can not apply for food licenses such as trade, vender, restaurant, liquor and food processing licenses. According to regulations, ingredients must be illustrated on the

packaging of processed foods if you export it. Traders dealing with liquor are required to have a specific liquor license. It is necessary for rural women who are dealing with food to know about the licensing procedure.

The 'halal' license is also required when food is cooked and/or processed. Muslims are not allowed to eat cooked and/or processed foods which are not handled according to a specific procedure. Although the government encourages rural women to participate in the food industry, there are restrictions for non-Muslims. Even if non-Muslim women are allowed to handle food as well as raw materials, their market is limited to the non-Muslim market. People must have their own marketing strategies according to religion.



**Figure 3-3 Flow of Obtaining Licenses in the Food Industry**

According to the survey carried out, many rural women involved in businesses are still not clear about the trading license system. It is recommended that the local government distribute leaflets to guide rural women on how to start up their businesses.

Efficiency in trading, grading and standardizing is very important. While rural producers and traders establish networks, grades and standards are crucial in creating mutual trust. As long as they trade using the primitive methods of picking out goods one by one, the cost margins can not be reduced and the business will not expand. It is necessary for them to simplify the trading mechanism by setting standards and grades.

### **3.4 IMPLICATIONS TO THE MASTER PLAN FRAMEWORK**

#### **3.4.1 TO CONSIDER WHAT IS SUITABLE FOR RURAL WOMEN'S BUSINESS**

The oil palm, cacao, coconut and rubber industries produce most of the agricultural products in Sabah. Since these plantations require a large capital to start the business, the poor rural people can not benefit from these industries. The following characters have been identified as suitable for rural women's business.

- Conducted near the house
- Small initial investment
- An advantage exists in obtaining raw materials
- Quality and uniqueness is more advantages than mass production
- Traditional unique qualities in the development of the product

#### **3.4.2 TO IMPROVE QUALITY TO REACH REQUIRED STANDARDS (PROCESSED FOODS)**

The food processing factories in Sabah do not emphasize hygiene. For local cakes, some of the producers do not even own the proper licenses required to deal with food. The government must encourage them to attend the food control and hygiene seminar in order to ensure they understand the importance of hygiene. Although most women are more interested in recipes than hygiene, the government must tell them how important hygiene is.

- More opportunities for rural women to attend the seminar on hygiene and food control are expected.
- Guidelines/posters for food control should be distributed (West Malaysia is using a good poster written by a senior JOCV volunteer).
- A closer network with the Ministry of Health is expected with regards to agro-related food processing businesses which are encouraged by the Ministry of Agriculture and Food Industry.
- Packaging should be improved in order to meet the consumers' expectations on hygiene.
- They should be more conscious of the contents of pesticide in agricultural products.



### **3.4.3 TO IMPROVE EFFICIENCY (HANDICRAFT)**

In terms of handicraft, the main issue faced is the comparatively high market price. The process of making handicraft using manual labor is very primitive. The handicraft manufacturing industry is in a state of infancy in Sabah.

- An effective purchasing system of raw materials should be introduced.
- The division of labor in the production process should be introduced.
- The basic processes can be mechanized.
- A sustainable production plan covering a wider viewpoint, i.e. environment and productivity should be formulated.
- Standards of products should be introduced in order to enable efficient trade.
- Original brands can be developed and introduced for Sabah handicraft.

### **3.4.4 TO ENCOURAGE PRODUCERS TO SHARE INFORMATION ON THE PROCESS EFFECTIVELY**

Human resource is one of the most important elements of business. There are limitations in individual business when trying to expand their trade. Business administration, including group management, is a key issue in business growth.

- Teamwork and management skills should be introduced to women leaders.
- Proper systems for the operation of groups/companies should be considered.
- Sharing benefits is very important in order to sustain group activities.
- The merits of the group and the division labor should be explained practically.

### **3.4.5 TO FULLY UTILIZE THE FUNCTION OF TAMU**

It is hard for rural women to gain access to the market due to insufficient transport. They tend to depend on traders who come to collect their products. This happens inconsistently. Participating in Tamus gives them the opportunity to earn daily income by selling their products directly to consumers. However, since consumers tastes are changing, the role of the Tamu is now changing as well.

- Tamu should make use of the uniqueness of the area.
- Tamu should provide more opportunities for both sellers and buyers to trade.

- Hygiene and sanitation must be considered.
- Tamu should not be a hotbed of illegal traders.
- The role of Tamu can be diversified as an information center, training center and trading center.

#### **3.4.6 TO ATTRACT URBAN INHABITANTS TO RURAL AREAS**

There are two ways to increase the sales of products made in rural areas; the first way is to increase the number of the agents selling the products in the shops in towns, and the other is to increase the number of visitors who spend money in the rural areas. Agro-tourism is a means of sales promotion. Key issues to be considered are as follows.

- Holistic plan for the development of the area.
- The concept of agro-tourism in the specific areas should be identified based on common perception among all the stakeholders.
- Originality and uniqueness should be identified.
- Knowledge of the service industry should be introduced to the rural folk.
- The operations and management of the areas should be well maintained, especially the toilets.
- The support of the local government is crucial for the development of agro-tourism since harmony in the target area is crucial.

## **CHAPTER 4: WOMEN IN THE RURAL AREA**

### **4.1 NATIONAL AND STATE POLICIES AND MACHINERY TO SUPPORT RURAL WOMEN**

The Eighth Malaysian Plan has one chapter for Women in Development (WID) to describe approaches of the government. It emphasizes the importance of women in national socioeconomic development and points out the necessity for women to obtain skills and knowledge to cope with “globalization”. The 8th Development Plan of the state of Sabah takes up “women’s participation in development” as one of its important strategies. Of the social development sector budget, 0.2% is allocated to WID from 2001 to 2005.

The National Women Policy enacted in 1989 aims at, 1) fair distribution between men and women of benefits from resources, information, opportunities and developments and 2) women’s participation in all development processes. The strategies to achieve these aims are promotion of education activities, proper sharing of WID-related decisions among administrative organizations, designing appropriate resource distribution among various sectors in consideration of gender issues, coordination among relevant administrative organizations, and collaboration between the government organizations and NGOs.

The Ministry of Women and Family Development, Malaysia, was established as the national machinery responsible for activity surveillance towards women’s empowerment in Malaysia during restructuring of the organizations in 2001. This ministry is not functioning fully yet, because the ministry is still young and it cannot promote its horizontal approach with the vertically developed state government organizations.

The Department of Women’s Affairs (JHEWA) of the Ministry of Community Development and Consumer Affairs functions as an administration office of Sabah Women’s Advisory Council (MPWS) and serves as a branch of the national machinery at the state level. JHEWA is one of the counterpart organizations for this Study and a more detailed description is in Chapter 5. Since this organization receives funding from the Federal Government, its financial situation is better than that of the state organizations.

JHEWA has organized the Women’s Conference and Festival, given commendation to activate women’s groups and individuals, and conducted

several seminars and workshops to promote gender mainstreaming in the government agencies and the government development programs. However, the number of the technical staff members is limited, which results in an incomplete system of actual project implementation. The vertically developed administration system of the state government by sector makes JHEWA more difficult, because their efforts need more cross-sector approaches.

The Study had difficulties in finding official information and statistics to clarify the “gender relation” and to understand the current situation of “women” and “rural women” in Sabah. JHEWA or other related agencies have not yet been successful in conducting a comprehensive gender-concerned survey or to provide gender-related statistics to the public. In the Statistics Yearbook prepared by the Department of Statistics, Malaysia, the amount of data given by sex is very limited; for example, only demographic data is shown by sex in the Yearbook of Statistics Sabah 2002.

## **4.2 LIVING CONDITIONS IN THE RURAL AREA**

### **4.2.1 HISTORICAL BACKGROUND OF THE RURAL DEVELOPMENT**

Since its independence in 1963, the state has tried to develop its vast land resources for income generation to fund its many development projects and programs. A dual approach involving the private sector and its own agencies was adopted. Large tracts of land throughout the state were leased to private companies for plantation and logging purposes. At the same time, government agencies were formed to develop land with the participation of the local communities. By the late 1960s, hundreds of sites of varying sizes were developed by the Agriculture Department. The occupants were either locals of the site areas or resettled from outlying villages. Each family was allotted a surveyed lot of about 10-15 acres (4-6ha) and given assistance in housing and in the development of the land.

In the early 1970s, the state intensified its efforts and created several new agencies to spearhead land development and settlement. The Sabah Land Development Board (SLDB) took over the administration of existing major sites from the Department of Agriculture. The Rubber Fund Board, the Sabah Paddy Board, the Federal Land Development Agency (FELDA) and the Sabah Forestry Development Authority (SAFODA) are involved in the government program.

In addition to the settlement sites, the state has also opened up vast tracts of land under the Pre-planned Small-holders scheme, the Land Development Cooperatives scheme and the Community Forestry Project (IDS 1991). Unlike settlement sites where infrastructure were more fully developed, the assistance provided in these projects varied from the minimal provision of access roads and surveyed lots in the first two, to more comprehensive packages that included housing and basic amenities under the Community Forestry Project.

The aggressive pace of land development has brought significant changes to the lives of people in rural communities. While many have joined the schemes and projects, there are still many others living in isolated pockets. Some of these are traditional villages while others are more newly settled by communities who moved to deeper inland in search of new farming land and livelihoods. Whether the living conditions and economic status of those who joined the sites and projects have improved is yet to be determined, this approach of developing the rural areas has created some degree of dichotomy, particularly in village environment and living conditions.

#### **4.2.2 VILLAGES DEVELOPED UNDER THE GOVERNMENT PROJECTS**

The areas chosen for the sites of the state government projects are generally more suitable for settlement and development with flat or undulating terrain and are usually near areas that are already opened up for large-scale agriculture. The access roads are in fairly good condition throughout the year and transportation in the form of commercial vans and pickups or lorries and trucks from the surrounding areas is available.

Infrastructure varies from good to fair depending on the type of site or project. Except for the Pre-planned Small-holders Sites where the government provided access roads and surveyed lots only, the other sites and projects were huge developments. A large part of the budget went into building roads, bridges, clinics, schools (pre-school and primary levels), community halls, mosques and other places of worship, and houses. The houses are usually in blocks and spread out in various phases. Each house is built on a quarter acre of land and is made of wooden planks and zinc roofing. The houses usually have two bedrooms, a living room and a kitchen. Windows are either glass or wood and pit- toilets are built outside.

Initially, most projects were provided with piped water and electricity generated centrally. In the later years, if these are not maintained by the villages, rainwater or river water was taken and collected in tanks and smaller units of generators were purchased and shared among a few households. The better-off households own TV and radio sets, refrigerators and even washing machines. Fuel for cooking is a combination of mostly gas and kerosene and sometimes, wood.

#### 4.2.3 TRADITIONAL VILLAGES AND NEWLY-SETTLED AREAS

Most villages consist of clusters of houses spread over a wide area and do not follow any distinct patterns. In the West Coast and Interior Areas, people tend to be located in hilly terrain while some are in valleys and flat plateaus. In the East Coast, villages develop in the river basin of the major rivers and their tributaries. In addition, numerous fishing villages are found along the long coastline of Sabah with a major concentration in Semporna District (IDS 1994). Because most fishing villages are near towns, they are more accessible by roads. Access to most inland villages is difficult and takes many hours of traveling over logging roads which may not be passable during the rainy season. The main means of transportation in many towns in the East Coast is still by boat.

The infrastructure in inland villages is minimal as these areas were opened up with little outside assistance except for the occasional handout during election periods. Houses are built from wood and other materials collected from the forests and may have few windows, depending on the ethnic group. Toilets in most villages consist of dilapidated shacks over holes (pit latrines) in the ground and may be shared by a few households.



**Photo 4-1 Village in the Mountain Area**



**Photo 4-2 Village on the Seashore**

These villages depend on their environment for their livelihoods. Water for drinking and other purposes is taken from springs, creeks and rivers. The quality

and availability are seasonal, depending on rainfall patterns and whether there is erosion up-river due to logging and other large-scale activities. There is water shortage during the dry seasons in Kudat, for example, and flooding during the rainy seasons in the river areas.

Some more accessible villages have electricity supplied by the authority or village-owned generators; the majority have no electricity and use candles, oil lamps and other traditional ways of lighting at night. Fuel for cooking is almost entirely from wood while some households may supplement with kerosene. In general, health and schooling facilities are poor or non-existent and schools and clinics often do not have trained personnel. The people from less accessible villages have to travel to the nearby towns to receive healthcare and schooling. Since the living conditions are poor, the villagers are more vulnerable to diseases such as malaria, filaria, diarrhea, tuberculosis, fever, and coughs and colds.

#### 4.2.4 FINDINGS FROM THE HOUSEHOLD QUESTIONNAIRE SURVEY

##### (1) OUTLINE OF THE STUDY

The Study conducted four (4) types of questionnaire surveys in order to grasp the living conditions of the rural area in Sabah. The samples were chosen from the average households in each village within 10–30 minutes drive from near-by towns. The sample numbers for the survey are given in Table 4-1 and a brief profile in Table 4-2. More details are shown in the Data Book.

**Table 4-1 Number of the Survey Sample Respondents**

Target Group	People in Rural area	Food Processors	Traders	Consumers	Total
Total	400	121	220	110	851

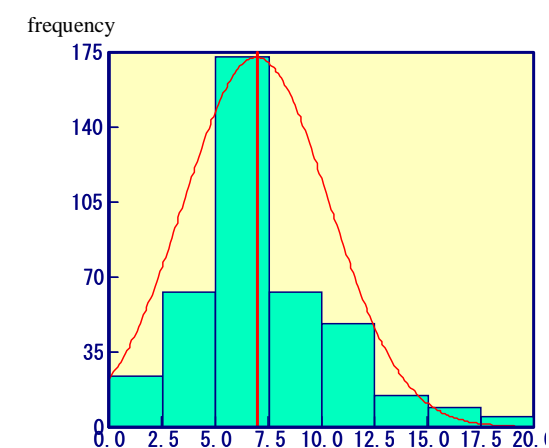
**Table 4-2 Profile of the Sample Respondents**

		Total	Ethnicity					
			Kadazan/ Dosun	Rungus	Murut	Bajau	Others	
Total		400	133	21	37	83	126	
Male		194	58	11	20	41	64	
Female		206	75	10	17	42	62	
Religion	Christian	Male	69	40	11	17	0	1
		Female	81	56	9	16	0	0
	Islam	Male	97	11	0	1	29	56
		Female	100	17	1	1	29	52
	Others	Male	28	7	0	2	12	7
		Female	25	2	0	0	13	10

(Tables 4-1 and 4-2: prepared by the JICA Study Team)

## (2) HOUSEHOLD

According to the data collected through the household survey of the Study, the average number of household members is 6.9 persons (Figure 4-1). 86.3% of the respondents answered that the owner of household is male. In the Muslim households, women had more ownership than the other religion groups (Table 4-3).



(Data Source: prepared by the JICA Study team)

**Figure 4-1 Number of household members**

**Table 4-3 Household Ownership by Sex**

Religion	Christian		Islam		Others		Total	
	case	rate	case	rate	case	rate	case	rate
Male	133	88.7%	164	83.2%	48	90.6%	345	86.3%
Female	17	11.3%	33	16.8%	5	9.4%	55	13.8%
Total	150	100.0%	197	100.0%	53	100.0%	400	100.0%

(Data Source: Prepared by the JICA Study Team)

## (3) BASIC INFRASTRUCTURE AND ASSETS

82.8% of the respondents used public electricity; 15.8% of respondents still did not access any electric services (Table 4-4). Battery use is not so popular among the respondents. Table 4-5 shows the assets of the respondents, Radio and TVs were common in the community where electricity was available.



**Table 4-4 Type of Electricity and Fuel Used by the Respondents**

	Type of Electricity				Type of Fuel		
	None	Public electricity	Personal power generation	Battery	Wood	Kerosene	Gas
No. of cases	63	331	3	3	65	4	331
Ratio to the total	15.8%	82.8%	0.8%	0.8%	16.3%	1.0%	82.8%

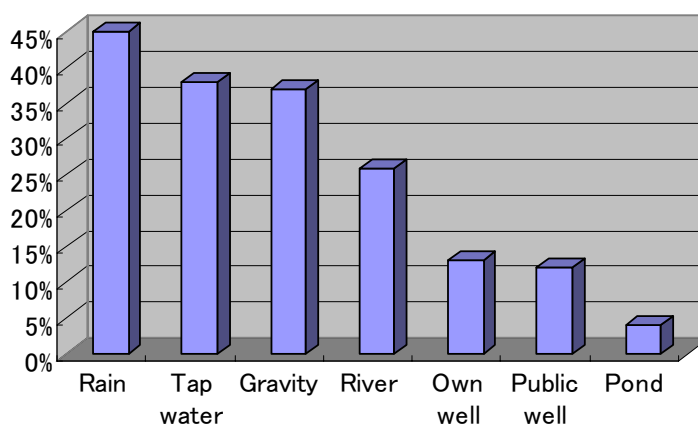
(Data Source: Prepared by the JICA Study Team)

**Table 4-5 Assets and Equipment of the Respondents' Household**

	Radio	TV	Video	Bicycle	Motor bike	Truck	Car	Boat	Rice cooker	Refrigerator	Telephone
No. of cases	292	301	177	91	77	10	114	62	206	248	171
Ratio to the total	73.0%	75.3%	44.3%	22.8%	19.3%	2.5%	28.5%	15.5%	51.5%	62.0%	42.8%

(Data Source: Prepared by the JICA Study Team)

According to the data of Figure 4-2, as mentioned in the previous sub-section, 45% of the respondents still relied on rainwater. A big blue tank to collect rainwater placed near a house block is commonly observed in the rural area. Access to a safe water supply still remains as one of the most critical issues to be addressed.



(Data Source: Prepared by the JICA Study Team)

**Figure 4-2 Source of Drinking Water**

#### (4) INCOME

As shown in Table 4-6, agro-related activities were the major income sources; such as selling agricultural products, livestock and fish and food processing. The average income per household per month from these agro-related activities among the respondents ranged from RM 500 to RM 730. Office employees including full- and part-time employees earn RM 900 to RM 1,100 monthly. The food processing (RM 545.8) and handicraft (RM 583.4), which were mainly handled by rural women, produced less income compared to others.

**Table 4-6 Income by Profession**

Source of Income	Number of case	Average Income /household/month
Agricultural products	242	708.0
Livestock	56	729.9
Fish	68	609.8
Food processing	23	545.8
Livestock processing	72	669.3
Fish processing	39	712.5
Handicrafts	50	583.4
Full-time employees	120	1,114.9
Part-time employees	37	706.7
Business	73	997.1
Skilled labor	82	719.7
Unskilled labor	71	531.9
Supportive work	131	646.0

(Data Source: Prepared by the JICA Study Team)

### 4.3 GENDER RELATION IN THE RURAL AREA

#### 4.3.1 WOMEN IN THE ECONOMY

Out of the 2,603,486 total population of the state in 2000, 1,257,948, or 48.3%, are women. Of the population of women, 743,142 (59%) are of working age (more than 15 years of age and less than 64) . The rural population in Sabah is estimated at 1,380,000 (Yearbook of Statistics Sabah 2002).

The size of the female population in the rural area is unknown. Applying the 48.3% ratio of the female population in the total population in Sabah, the female population of the rural part of the state could be estimated to be approximately 667,000. Applying the figure 59%, representing the proportion of working age,

393,000 women are estimated as being in the potential work force. The size of the direct target group of this particular Study, rural women of working age, was therefore estimated to be “approximately 400,000.”

In the state of Sabah, 373,000 individuals, or 50.2% of the total women population of working age, were actually in the workforce, i.e., were officially employed (Table 4-7). In the rural area, 246,200 women or 62.6% of the total women population of working age, were regarded as being in the workforce.

**Table 4-7 Number and Percentage Distribution of Labor Force by Sex and by Urban and Rural Area in Sabah (in 2000)**

	Urban Area		Rural Area		Total	
	Number ('000)	%	Number ('000)	%	Number ('000)	%
Male	289.0	69.5	674.0	73.2	963.0	72.1
Female	126.8	30.5	246.2	26.8	373.0	27.9
Total	415.8	100.0	920.2	100.0	1,336.0	100.0

(Data Source: Labor Force Survey Report, Dept. of Statistics Malaysia, 2000)

Table 4-8 shows that there were 1,200 female employers (13.8% of the total employers in the state) in the rural area of Sabah, while there were 7,500 male employers (86.2%) in 2000. The number of the men self-employed or working for others was three (3) to four (4) times greater than the women. On the other hand, more women than men were unpaid family workers.

**Table 4-8 Number of Employed Persons by Employment Status, by Sex and by Urban and Rural Area in Sabah (in 2000)**

	Total ('000)			Urban ('000)			Rural ('000)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Employer	23.9	20.2	3.7	15.2	12.7	2.5	8.7	7.5	1.2
Employee	956.0	700.0	255.9	308.1	209.2	98.9	647.8	490.8	157.1
Self-employed worker	219.2	171.2	48.0	56.3	44.7	11.6	162.9	126.5	36.4
Unpaid family worker	67.2	26.9	40.3	10.7	5.3	5.4	56.6	21.7	34.9
Total	1,266.3	918.4	347.9	390.3	272.0	118.3	876.0	646.5	229.6

(Data Source: Labor Force Survey Report, Dept. of Statistics Malaysia, 2000)

In the rural area of Sabah, 463 thousand population or 52.9% of the total work force, were engaged in agriculture, forestry, livestock and fishing in 2000 (Table 4-9). Out of the 463 thousand, 106.1 thousand are female work force, which was only one third of the male work force in the same industry. Women outnumbered

men in 1) wholesale and retail trade, restaurant and hotels; 2) manufacturing and 3) community, social and personal services.

**Table 4-9 Number of Persons Employed by Industry, Sex and Urban and Rural Area in Sabah (in 2000)**

	Total ('000)			Urban ('000)			Rural ('000)		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Agriculture, forestry, livestock and fishing	496.4	388.0	108.5	33.4	31.1	2.3	463.0	356.9	106.1
Mining and quarrying	2.3	2.3	0	1.0	1.0	0	1.3	1.3	0
Manufacturing	159.2	171.2	42.6	57.2	41.4	15.7	102.0	75.1	26.9
Electricity, gas and water	7.5	26.9	0.8	1.9	1.6	0.3	5.6	5.1	0.5
Construction	91.7	26.9	3.9	44.7	42.2	2.5	47.1	45.7	1.4
Wholesale and retail trade, restaurant and hotels	185.1	26.9	76.6	109.7	65.8	43.9	75.4	42.7	32.7
Transport, storage and communication	48.3	26.9	5.1	22.0	19.2	2.8	26.3	24.0	2.3
Finance, insurance, real estate and business services	28.9	26.9	11.3	17.3	9.9	7.5	11.5	7.7	3.9
Community, social and personal services	246.9	26.9	99.1	103.1	59.8	43.3	143.8	88.0	55.8
Total	1,266.3	918.4	347.9	390.3	272.0	118.3	876.0	646.5	229.6

(Data Source: Labor Force Survey Report, Dept. of Statistics Malaysia, 2000)

Table 4-10 shows that the rural women were active in trading activities. They were required to get trading licenses at the District Offices to sell their products at their shops and/or TAMUs in the rural area. In Kota Marudu, 42.1% of the registered traders were female, and in Kudat, 35.5% were female traders. Compared to the other official records or licenses related to entrepreneurs, the female registration in trading license showed a relatively high ratio.

**Table 4-10 Number and Percentage of Trading License Holders at the District Offices by Sex in Kota Marudu District and Kudat District (in 2003)**

	Kota Marudu District		Kudat District	
	Number ('000)	%	Number ('000)	%
Women	810	42.1%	187	35.8%
Men	1,112	57.9%	324	62.3%
Total	1,922	100%	522	100%

(Data Source: District Offices of Kota Marudu and Kudat)

When talking about only the women in the working age from 15 years old to 64 years old in the official statistics book, 246.2 thousand women, or 61.5% of the

total working age women, are regarded as the “work force” officially. The “unpaid family workers” were also included in this statistics (Table 4-8).

The rest of the women, almost 38.5% of the total working age women, were not considered even as “unpaid family workers”. In other words, in the rural area in Sabah, the female labor force who were regarded as “work force” officially, is not more than 30% of the total labor force, although they were represent half of the population. It means that the productive and reproductive activities of the rural women might not be properly valued in the rural economy.

According to the official statistics above, in Sabah, the rural women contributed to the rural economy mainly through agricultural production and through micro-scale business of food processing such as producing local cakes and snacks by utilizing their traditional skills; of selling agro-related products and handicrafts; and of running restaurants and catering services.



**Photo 4-3 Banana Chip Cooking**



**Photo 4-4 Vegetable Selling at Tamu**

#### **4.3.2 WOMEN’S ROLES AND ACTIVITIES IN THE HOUSEHOLD**

Table 4-11 was created by the JICA Study Team based on the data from the survey report “The forgotten Contribution: Women and Rural Development in Sabah” prepared by Abdul Saman Hadi and the data collected through the gender analysis workshops and through the observation by the JICA Study Team. The data of the original survey was for 1986; the overall trend has not changed significantly in recent times.

It shows that the rural women were predominant in most of the activities in the rural economy, except for agricultural tasks, wage-earning and community activities. Among the productive activities, animal care and handicrafts are mainly handled by women; these are usually regarded as “unpaid family

activities.” It is also significant that in the reproductive (or traditional household) responsibilities; such as childcare, housework and food preparation, the men make only a peripheral contribution.

With their male partners, they contribute in all stages of agricultural production; they clear the land, plough, plant, tend, harvest and process the paddy. They grow vegetables and other cash crops to supplement the household income, and look after livestock. In fishing communities, while the women do not generally go out to sea, they help to mend nets and process the catch. Additionally, rural women are also involved in all the household chores of cooking, cleaning, tailoring, and bringing up children. Because of the lack of basic amenities, women are also required to collect firewood and fetch water for their families (Women in Sabah, SAWO).

**Table 4-11 Relative Importance of Women and Men in Major Common Activities in the Rural Economy in Sabah**

Activity	Involvement of Women	Involvement of Men	Predominantly Involved in Activity
<b>Productive Activities</b>			
Wage economy	Peripheral	Main	Men
Agricultural tasks	Shared	Main	Men
Animal care	Shared	Shared	Women
Handicrafts and sewing	Main	Peripheral	Women
<b>Productive Activities</b>			
Child care	Main	Peripheral	Women
Housework	Main	Peripheral	Women
Food preparation	Main	Peripheral	Women
Firewood collection	Shared	Shared	Women
Water fetching	Main	Peripheral	Women
Gardening	Shared	Shared	Women
Shopping	Shared	Shared	NA
<b>Community Activities</b>			
Co-operative work in the community	Shared	Shared	Men

(Data Source: Prepared based on the gender analysis workshops in the Pilot Project 1 and on the observation by the JICA Study Team during the Study)

There is a common understanding, which is in rural areas even stronger, that “women’s economic activity is not chief income for a family but only subsidiary income”. This common understanding limits women’s participation in economic

activities. Men are considered as the main income earner so that job opportunities are also given more to men. Without change of this common understanding, the current situation would not be improved.

### 4.3.3 WOMEN’S ACCESS TO RESOURCES

In the rural households and communities in Sabah, women can access resources as well as benefit from the household’s and/or community’s use of resources. There are no official regulations to keep them from the resources and the benefits. However, because of the socio-cultural background of the community, men have more access and women usually wait for men’s approval when they need to use the resources and benefits. Women have almost equal access to satisfying basic needs and primary education as men. Men are more influential to the use of the resources and benefits than women, except the benefits related to basic needs such as food, clothing etc. (Table 4-12).

**Table 4-12 Access and Control Profile in the Rural Community**

	ACCESS		CONTROL	
	Women	Men	Women	Men
<b>Resources</b>				
Land	accessible	more access	limited control	more influence
Equipment	accessible	more access	limited control	more influence
Labor	accessible	more access	limited control	more influence
Cash	accessible but limited for their own use	more access	limited control for their own use	controlling
Supporting projects and training	limited	more access	limited control	controlling
Micro-finance	accessible	accessible	limited control	more influence
<b>Benefits</b>				
Outside income	accessible	more access	limited control	controlling
Asset ownership	accessible	more access	limited control	controlling
Basic needs (food, clothing, shelter etc.)	accessible	accessible	more influence	less control
Education	accessible	accessible	shared	more influence
Political power	accessible	more access	little influence	more influence

(Data Source: Prepared based on the gender analysis workshops in the Pilot Project 1 and on the observation by the JICA Study Team during the Study)

For example, both women and men can access cash. However, women seldom use cash for their own purposes, while men may use for their own pleasure. Men usually attend the supporting projects and training courses held by the

government agencies as the representatives of the households. They seldom transfer the information or the skills they learned to women, even when women are usually engaged in the targeted activities. Micro-finance services are accessible to both. But after they receive the funds, it is said that the money is sometimes used for the men's purposes, not for the women's activities. Women have some access to local the political process but little influence over which issues are discussed and the final decision.

In the rural community, JKKKs and local arms of political parties are usually led by men. The female chairpersons of JKKKs are very few. As a consequence, when development programs are planned and implemented, they tend to be targeted at the male members of the household. Agricultural extension workers, who provide the agriculture production information and skills, usually approach the male heads of households to offer their services. It is thus difficult for a female head of households to have equal access to the resources and benefits.

#### **4.3.4 WOMEN IN THE LEGAL SYSTEM**

Women in Sabah have to face the confusing legal systems and the various areas of the law. The formal legal system in Sabah consists of three (3) systems which reflect the multi-cultural mix of the state. As with other states in Malaysia, Sabah has the Civil/Criminal law and the Muslim (Syariah) law. In addition to this, Native Courts, which are peculiar to the states of Sabah and Sarawak have jurisdiction over native laws or customs where the parties are natives (Women in Sabah, SAWO).

Every native community has its own set of customs which has been practiced and handed down from generation to generation. Such customs are to ensure that people in the community live harmoniously and that each individual is responsible to the community. The Native Courts are administrated by the Ministry of Local Government and Housing. Native Courts in the districts are headed by the Native Chief who is assisted by the Village Head. The overall organizations of the Native Courts which differ from district to district are supervised by the District Officer or the Deputy President of the Municipal Councils. With regards to women's position within native law, it appears that there are some areas which women are disadvantaged such as in the case of divorce and sexual offences etc.

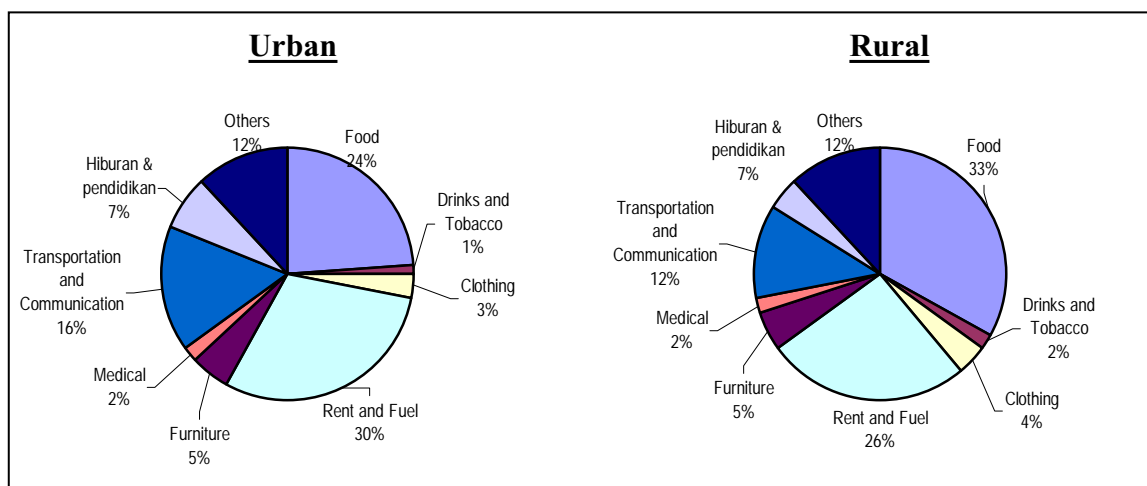


The area of Syariah law which affects Muslim women most is the Islamic Family Law. This is the religious law which holds jurisdiction over family matters such as marriage, divorce, adoption, legitimacy, reconciliation, maintenance, child custody, distribution of inheritance and property. Polygamy and divorce can no longer be exercised on the husbands' entire discretion. These practices are regulated more tightly through legally defined procedures.

Compared to the Native and Muslim Laws, the Civil Law is more established, documented and studied. Some of the aspects in Civil Law that are discriminatory against women include the laws on citizenship, guardianship, income tax, marriage, divorce and rape. Discrimination may take the form of both explicit legal provisions and in the form of selective enforcement of the laws.

#### 4.3.5 WOMEN'S FINANCIAL SITUATIONS

According to a census conducted by the Department of Statistics, Sabah, from 1998 to 1999, the average monthly household expenditure was 1,215 RM in the state; RM 1,664 RM in the urban area and RM 989 in the rural areas. Figure 4-3 shows the breakdown of expenditure of both of the urban and rural areas.



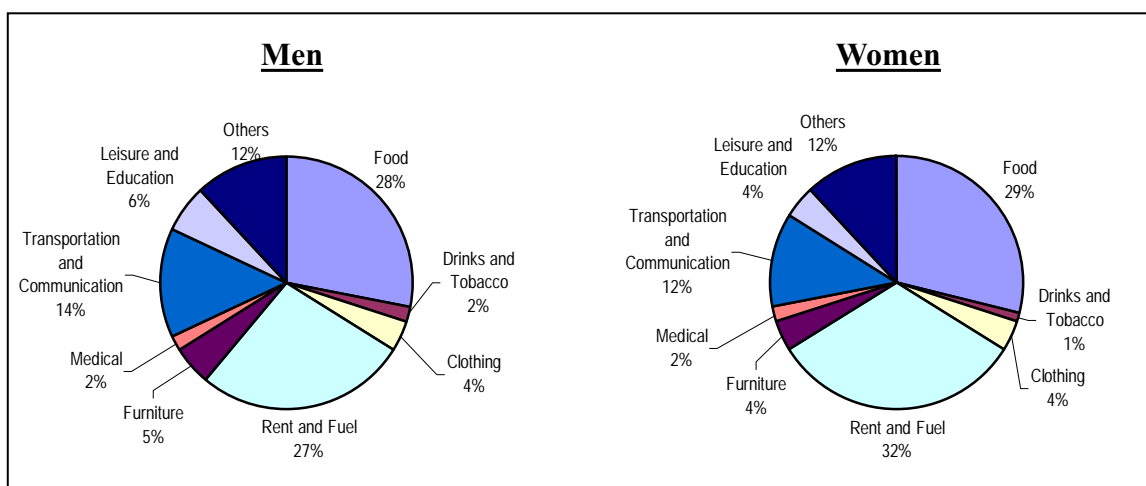
(Data Source: Household Survey, Department of Statistics Sabah 1998/99)

**Figure 4-3 Monthly Expenditure of the Urban and Rural Households in Sabah (1998/1999)**

The comparison between the urban and rural area expenditure shows that the households in the rural areas spent more on food than in the urban areas; and that expenditure on crops, vegetables and fish was also large in the rural area. Distribution of the expenditure on other items was almost the same, although that on rent, fuel, transportation and communication, leisure, education and culture,

are slightly higher in urban areas. This might be attributed to the fact that farm products were mostly commercial raw materials so that farmers could not necessarily be self-sufficient in food. Exchanging farming produce for money is more important for the monetary needs.

Comparing the expenditure by sex of the household heads, RM 1,257 is the average expenditure of a male head of household while it is RM 968 for a female head of household. Breakdown into urban and rural areas are RM 1,767 for the urban male, and RM 1,181 for the urban female. RM 1,014 for the rural male, and RM 823 for the rural female. In the rural area, the expenditure was less in general and the difference between men and women was smaller than in the urban area. The breakdown of expenditure by sex of household heads in the rural area is shown in Figure 4-4.



(Data Source: Household Survey, Department of Statistics Sabah 1998/99)

**Figure 4-4 Monthly Expenditure by Family Heads' Sex in Sabah (1998/1999)**

It could be observed that female households spend more on food, rent, and fuel, while male households spend more on leisure, and education. Considering that male households spend about RM 200 more than female households on average, female households are obliged to spend a greater percentage on basic expenditures for everyday life. Male households have some extra money to allocate for leisure and education.

## 4.4 RURAL WOMEN ENTREPRENEURS

### 4.4.1 FINDINGS FROM THE GENDER QUESTIONNAIRE SURVEY

#### (1) OUTLINE OF THE SURVEY

The questionnaire survey of the rural women entrepreneurs was conducted by the JICA Study Team to understand their activities, constraints, potentials, needs etc. The number of the samples, which covered both the entrepreneurs who ran business on their own account and the rural women who supported their family business, covered by the survey was 85 persons. Table 4-13 shows the distribution of the samples by their business level and by region.

**Table 4-13 Distribution of the Gender Questionnaire Survey Samples by Their Business Level and by Region**

Region Business level	Kudat	West Coast	Interior	Tawau	Total	Rate
Stable income more than RM700/month	2	14	5	9	30	36%
Own business but not growing yet	8	15	1	10	34	40%
Supporting family business	5	5	0	10	20	24%
Not available	1	0	0	0	1	(0.01%)
Total	16	34	6	29	85	100%
Rate	19%	40%	7%	34%	100%	

(Data Source: Prepared by the JICA Study Team)

#### (2) BIO-DATA

39% of the samples were in their 40s and 24% were in their 30s. In general, these are the most active generations among the rural women, who have more free time after mostly finishing their birth delivery and childcare (Table 4-14).

**Table 4-14 Distribution of the Samples by Age**

	20s	30s	40s	50s	60s	NA	Total
No. of samples	6	20	33	6	2	10	85
Ratio to the total	7%	24%	39%	7%	2%	12%	100%

(Data Source: Prepared by the JICA Study Team)

82% of the samples were married, while 9% were the heads of the households because of divorce, husbands' death etc. (Table 4-15). The number of their

children ranged 1 to 14. 21% of the samples had 4 children which was the most common case in this survey. In the rural area, women who have more than 10 children are not rare (Table 4-16).

**Table 4-15 Distribution of the Samples by Marital Status**

	Single	Married	Separated	Divorced	Widow	NA	Total
No. of samples	7	70	3	1	3	1	85
Ratio to the total	8%	82%	4%	1%	4%	1%	100%

(Data Source: Prepared by the JICA Study Team)

**Table 4-16 Distribution of the Samples by Number of Children**

	1	2	3	4	5	6	7	8	9	10<
No. of samples	2	10	4	18	7	12	6	4	1	4
Ratio to the total*	2%	12%	5%	21%	8%	14%	7%	5%	1%	4%

(Data Source: Prepared by the JICA Study Team)

Note: Seven (7) single women have never married and have no children yet. 10 samples did not provide the number. The total number here includes these samples.

Thirty nine (39) % of the samples, or 33 persons were Dusun, which had the biggest rate, followed by Bajau (9%), Malay (8%), Kadazan (6%) and Rungus (5%) (Table 4-17). As for their educational background, 62% of them, or 53 persons were at the level of the primary school graduates or less and 34% completed the secondary education. There were two higher education graduates among the samples (Table 4-18).

**Table 4-17 Distribution of the Samples by Ethnic Group**

	Kadazan	Dusun	Bajau	Rungus	Tidung	Cocos	Malay	Others*	NA	Total
No. of samples	5	33	8	4	1	1	7	20	3	85
Ratio to the total	6%	39%	9%	5%	1%	1%	8%	24%	4%	100%

(Data Source: Prepared by the JICA Study Team)

Note: "others" includes immigrants from other countries.

**Table 4-18 Distribution of the Samples by Education Background**

	Primary level or less	Secondary level	Tertiary level	NA	Total
No. of samples	53	29	2	1	85
Ratio to the total	62%	34%	2%	1%	100%

(Data Source: Prepared by the JICA Study Team)

### (3) INCOME GENERATION ACTIVITIES

Table 4-19 shows the types of their income generation activities. 30% of the samples, or 26 persons were engaged in food processing and 25% were traders and/or middle-persons. The others represented lower percentages including tailors (13%), farming (5%) and handicrafts (5%). Among the survey samples, food processing and trading were the most popular activities.

**Table 4-19 Distribution of the Samples by Business Type**

	Food processing	Restau-rant	Trader	Handi-craft	Tailor /sewing	Farmer	Others	NA	Total
No. of samples	26	4	21	4	11	4	1	14	85
Ratio to the total	30%	5%	25%	5%	13%	5%	1%	16%	100%

(Data Source: Prepared by the JICA Study Team)

32% of the samples produced RM 101 – 500 sales per month and 13% created RM 501 – 1,000 sales per month (Table 4-20). The monthly sales of about half of the samples were less than RM 1,000. Although this was not a big amount, the rural women became confident by earning income through their own activities. As for initial capital cost, 29% of them spent RM 101 – 500, while 45% could not give the number. In most cases, the initial costs were between RM 0 – 2,000 (Table 4-21).

**Table 4-20 Distribution of the Samples by Monthly Sales Size**

	RM101 -500	RM501 -1,000	RM1,001 -2,000	RM2,001 -3,000	RM4,001 -5,000	RM5,000 -10,000	<RM 10,000	NA	Total
No. of samples	27	11	7	1	1	3	4	31	85
Ratio to the total	32%	13%	8%	1%	1%	3%	5%	36%	100%

(Data Source: Prepared by the JICA Study Team)

**Table 4-21 Distribution of the Samples by Initial Capital**

	<b>RM0 -100</b>	<b>RM101 -500</b>	<b>RM501 -1,000</b>	<b>RM1,001 -2,000</b>	<b>RM2,001 -3,000</b>	<b>RM4,001 -10,000</b>	<b>&lt;RM 10,000</b>	<b>NA</b>	<b>Total</b>
No. of samples	6	25	4	7	1	0	3	39	85
Ratio to the total	7%	29%	5%	8%	1%	0%	3%	46%	100%

(Data Source: Prepared by the JICA Study Team)

#### 4.4.2 FINDINGS OF THE YUM BASELINE SURVEY

YUM conducted the baseline survey in the beginning of the pilot project. The baseline survey included a questionnaire survey of the clients of the target rural women entrepreneurs. The survey covered 453 entrepreneurs.

Table 4-22 shows the education level of the YUM clients. 153 persons or 34.1% of the clients had primary education while 134 or 29.8% indicated that they have no education or did not go to school. Table 4-23 indicates the household income level of the respondents. 351 respondents or 77.8% have gross income level ranging from RM 500 to RM1,000. 10.6% are between RM 1,001 and RM 1,500. 623 respondents were engaged in trading business under the YUM loan and 205 were in agriculture activities. Others used the loan for their livestock, services, processing and handicraft businesses (Table 4-24). The monthly gross revenue generated from the rural women entrepreneurs' project is shown in Table 4-25. More than 63.0% of the clients have gross revenue per month from projects ranging between RM 100 to RM 500, followed by RM 501 to RM 1,000.

The data here shows the YUM clients indicate the same tendency of the economic activities as the respondents of the gender questionnaire survey in the previous sub-section; such as common types of business and income.

**Table 4-22 Education Level of the YUM Clients (Sample Survey)**

<b>Level of Education</b>	<b>No. of Respondents</b>	<b>%</b>
No Education	134	29.8
Primary Education (Standard 1-6)	153	34.1
Lower Secondary (Form 1-3)	130	29.0
Upper Secondary (Form 4-6)	32	7.1
<b>Total</b>	<b>449</b>	<b>100</b>

(Data Source: Baseline Survey of PUANDESA Pilot Project 10, YUM 2002)

**Table 4-23 Gross Income Per Month of the YUM Clients (Sample Survey)**

Income per Family per Month	No. of Respondents	%
RM 500 – RM 1,000	351	77.8
RM 1,001 – RM 1,500	48	10.6
RM 1,501 – RM 2,000	26	5.8
RM 2,001 – RM 2,500	4	0.9
RM 2,501 and above	22	4.9
Total	451	100

(Data Source: Baseline Survey of PUANDESA Pilot Project 10, YUM 2002)

**Table 4-24 Project Finance by Loan According to Economic Sectors  
(Sample Survey, More than one answer from each respondent)**

Economic Sector	No. of Respondents
Agriculture	205
Trading	623
Animal Husbandry/Livestock	83
Handicrafts	8
Processing	43
Services	53
Total	1,015

(Data Source: Baseline Survey of PUANDESA Pilot Project 10, YUM 2002)

**Table 4-25 Monthly Gross Revenue Generated from Projects of the YUM  
Clients (Sample Survey)**

Revenue Range (Monthly)	No. of Respondents	%
RM 100 – RM 500	284	63.0
RM 501 – RM 1,000	95	21.0
RM 1,001 – RM 1,500	31	6.9
RM 1,501 – RM 2,000	20	4.4
RM 2,001 and above	21	4.7
Total	451	100

(Data Source: Baseline Survey of PUANDESA Pilot Project 10, YUM 2002)

#### 4.4.3 FINDINGS OF THE WORKSHOPS AND THE CASE STUDY

Below is the summary of the real voice of the 40 rural women entrepreneurs collected during the workshops conducted by the Study.



**Photo 4-5 Explained at the Workshop**



**Photo 4-6 Speaking at the Workshop**

### **(1) WHY DID THEY START A BUSINESS?**

Out of 40, 33 women entrepreneurs who participated in the workshop of the Study started “because they needed additional income.” The second major reason is “because they wanted to do something worthy” (16 women) followed by the third major reason because they are influenced by the other successful women entrepreneurs” (10 women).

Most of the already active women’s groups/entrepreneurs started their business because they wanted to increase their households’ income. However, there were several additional reasons besides income generation. Among “the active motives” were “the activity itself is simply attractive regardless of profitability” and “performing their own activity is a kind of self-realization.” On the other hand, “the passive motives” were related to situations from which the women cannot escape. For example, financial necessity to sustain the household or no alternatives in their job search were included (Table 4-26).

Income generation was very critical for the women who are the household heads. They generated subsistence income by using some resources around them and available traditional skills under the circumstances of no other available sources of income in their rural locality. Although no statistical data of female-headed households are available, it is said there are quite a few single mother households (*de facto* female-headed household) in the rural area of Sabah because of divorce, separated due to husbands’ death, husbands’ working in the urban areas and having a new wife there, marriage to a foreign immigrant and being abandoned etc. Many of such households live under the poverty line.



In most of the cases of the married women entrepreneurs whose husbands earn the major part of the household income, they start and operate a micro-scale business as their household's secondary income source to supplement agro-related activities mainly performed by men.

**Table 4-26 Main Motives to Start Up Business for Rural Women**

Active Motives	Passive Motives
From her own interest - Originally interested in food processing, and the business itself. - Interested in the business itself.  To realize her dream or to do something worthy: - To promote the traditional sweets and foods - Have idea (wanted to realize that idea or the dream)	To meet households' financial needs: - Needed income - To help the household financially - To increase the income more. - No other income generating opportunities - No other job opportunities  Influenced by external factors: - Grown up in the environment of business in which parents were involved - Existence of sweets and food processing skill traditionally (from previous generation) in the living area - Stimulated by other successful women  Through supporting program: - Heard about governmental program to support rural women's economic activities

(Data Source: Prepared by the JICA Study Team)

External factors also played a crucial role such as “stimulated by a success case near by”, “inherited from parents”, “woman leader's strong initiative for joint venture”, and “utilization of supporting program” (e.g., to get micro credit together).

## **(2) WHAT TYPE OF BUSINESS DO THEY RUN?**

The rural area in Sabah has various geographical features. The type of food processing, which is one of the most common activities for the rural women entrepreneurs, is varied according to the agricultural products in the communities. The activities by rural women have variety, such as cultivating and selling of their own agricultural products including vegetables, fruit, rice, maize, trading the other farmers' products, food processing of agricultural, fishery, and livestock products, making and selling handicrafts, operating a sundry shop, tailoring and catering services etc. The agro-related activities, excluding purely trading and

service-oriented business, are classified into several groups in terms of processing level (value-added level) as shown in Table 4-27.

**Table 4-27 Agro-related Business Type by Rural Women in Sabah by Processing Level (Value-Added Level)**

Value-added Level	Type of Business
Processing level 1: Selling locally available agricultural product and raw materials	<ul style="list-style-type: none"> <li>- Rice / maize cultivating and selling</li> <li>- Vegetable/herb and fruits cultivating and selling</li> <li>- Milk processing and selling</li> <li>- Goat, cow and chicken(including eggs)rearing and selling</li> </ul>
Processing level 2: Producing and selling locally available agricultural products and raw materials available with minimum value-added, or selling cash crop with basic processing.	<ul style="list-style-type: none"> <li>- Peanuts cultivating and selling</li> <li>- Dried chili making and selling</li> <li>- Ginger/shiitake mushroom cultivation and selling</li> <li>- Bee-keeping, honey gathering and selling</li> <li>- Coffee powder making and selling</li> <li>- Cultivation and selling of oysters, mussels, seaweed and fresh water fish</li> <li>- Dried and salted fish making and selling</li> </ul>
Processing level 3: Producing and selling imparting high value on agricultural products and raw materials, which are not only locally available but also obtained from the outside	<ul style="list-style-type: none"> <li>- Jam making and selling</li> <li>- Belacan (traditional seasoning sauce made from shrimp) making and selling</li> <li>- Local snack/traditional sweets making and selling</li> <li>- Snacks (fish chips etc.) making and selling</li> <li>- Bakery</li> <li>- Fish ball, fish sausage making and selling</li> </ul>
Processing level 4: Producing and selling handicrafts	<ul style="list-style-type: none"> <li>- Handicraft making and selling (weaving, traditional handicrafts)</li> <li>- Beads accessory making</li> <li>- Accessory for wedding making and selling</li> <li>- Tailoring</li> <li>- Necessaries of life (brooms etc.) making and selling</li> </ul>

(Data Source: Prepared by the JICA Study Team)

Although there is no statistical data on the rural women's economic activities to show the processing level differences, the following points were observed by the Study team. Those activities, which are classified in the processing level 3, were conducted in the areas that have easy access to town and have good existing markets. On the other hand, those activities at the processing level 2 were performed in the areas which had difficult access to towns but still were covered

by government support programs. Their business growth in terms of sales is unable to rise due to the lack of a marketing strategy to overcome its location disadvantage. Women at the processing level 1, if they have good access to the market, could run good businesses. However, they sometimes have problems in quality and freshness of products and marketing.

Most of the rural women's activities were conducted in their own house premises because their production/processing skill is simple and small-scale. There were some cases utilizing a common place by the group members. Women allocated their time in income generating activities by balancing with domestic work; because their activities are considered as sidelines in most cases. Consequently, the busy farming season did not provide women with sufficient time to concentrate on this side business.

The food processing industry includes sensitive aspects such as the concept of '*halal*' meat that is religiously approved for consumption. Therefore, consideration needs to be paid to religious and cultural concerns in a multi-religious society such as in Sabah, especially in the food production industry.

### **(3) WHERE AND HOW DO THEY SELL?**

When women themselves sell their products directly to consumers, their markets were either within their local community or through a stall beside a trunk road. In case of good access to available public transportation or when the farmer owned the vehicle, although it was not the majority case, women producers might sell their products at markets in nearby towns. If they themselves were not involved in sales activities to final consumers, women depended on a middleperson or market channels provided by supporting programs. This method also applied to those women entrepreneurs in the isolated areas. One of the problems was the power relationship; they were not strong enough against middleperson in price setting and negotiation. Business expansion could not be expected because of the fixed price, if their business was fully dependent on the government program.

The sales promotion currently practiced by rural women entrepreneurs was only through the existing network of family and/or relatives in the local community. Only one among 40 participants of the kick-off workshop was a member of the cooperative. Some women actively tried to network with people whom they met at seminars and meetings, but the level of aggressive networking, in the rural area,

was not as same as the urban-based women entrepreneurs except those who were already at quite a good level of business maturity.

Labeling, which played a crucial role to promote sales by identifying the product itself, remained at rudimental level. Current labels could be described as a small piece of paper showing the name of product, producer's name, address, contact number, ingredients, and sometimes a logo. The best period for consumption was hand-written in ink on that paper. This was quite a good case among existing labels in rural women's products. There were some products that had no label. Those commodities without labeling were not preferred by the consumers in the urban market due to the lack of a quality guarantee.

#### **(4) WHAT DO THEY GAIN?**

Out of 85 rural women's entrepreneurs, almost 90% of them were enjoying their income-generating activities. Further, almost half were enjoying it "very much". Among 40 women who participated in the workshop, 16 responded that they wanted to have something worth their effort. "Getting more income" was the first reason for their decision to start economic activities. Yet, they brought up their sense of "participation" and consequently something worth the effort. They came to feel that they themselves were the main actors to direct the business while they got involved in and continue economic activities. Another reason given was making life worth living and having something to do with the quality of life, which could apply, not only to women but also to men. It caused a great change and impact for the women, the majority of whom had not experienced contact with the wider world through business before.

Rural women, who participated in the workshops, expressed their views on time sharing with other rural women entrepreneurs in the workshop, as "enjoyed", "be presented in front of many people for the first time in my life", "good experience to think and discuss together", "learned a lot", "influenced greatly" among others. Ten out of 40 rural women entrepreneurs were motivated because they were stimulated and influenced by the other successful women who had already started economic activities. Whether or not rural women were conscious of the fact, they were setting goals in terms of, not only income, but also in the total quality of life symbolizing "I also wanted to be a woman like her", "Even a woman could do it", "A woman same as me could attain it". Existence of a "female role model" had a great influence on the other women entrepreneurs.

## **(5) HOW ARE THEIR BUSINESS SKILLS?**

### **1) Production Technology**

The production technology level of the majority of rural women remained labor-intensive and traditional. The mechanization level was also limited. Approximately 70% of the women responded that they “do not use any machines for production.” However, some home electrical appliances such as ovens or sewing machines were used. One group was using a small manual mincer to produce fish sausages and fish balls.

Those women who were living in easy access areas had a chance to study market needs, as well as to learn better technology for various products from other places, and could improve their product quality. In most cases, however, rural women entrepreneurs were using production skills inherited from previous generations and available within local communities. Therefore, most of the products made by rural women looked similar and were sold with limited efforts to differentiate their products to draw the clients’ attention. The majority of rural women entrepreneurs do not have an advance plan for production. Rather, they just produce to consume their surplus agricultural products without paying much attention to the market needs.

According to the response from the participants of the workshop, many rural women tried to preserve their products longer and safer through packaging. However, actual packaging was done with very basic technology such as heat-sealed transparent polythene tubing. The products had a very basic label and sometimes were even without labeling. Products of jam, honey and pastes faced hygiene problems due to the use of popular containers such as PET bottles. These products were also hampered by the short suitable period of consumption, currently at most 10 days, due to the non-satisfactory sealing of the bottle.

More than 80% of respondents agreed on the adoption of hygienic production processes. If the answer “more or less” was also included, almost 90% of them cared about hygienic production. Despite this high awareness, some unhygienic practices were observed during interview surveys and site visits, such as impurities mixing with food, inaccurate measuring and unstable quality control.

## **2) Management**

At the kick-off workshop, 17 women participants out of 40 said they had the group regulations. Of the participants, 14 were leaders of women's groups and 25 were individual entrepreneurs including supporting workers of the family business.

The reason why more than 40 % of them were working under their organizational regulations might be explained by the fact that DOA, which was one of the main supporters of rural women's economic activities, required the women groups to prepare the regulations to receive its assistance. At the same time, almost the same percentage of women was working without any regulations, and most were not covered by the government programs.

## **3) Accounting and Book-Keeping**

According to the questionnaire survey, less than 29.5% of the respondents kept an accounting book. Among workshop participants, only 4 out of 40 said "always" which is even less than 10%. Nobody was confident "their book-keeping is good". Rather, the majority, 22 out of 40 women, indicated "more or less" confident. It seems that the majority of rural women entrepreneurs were not confident enough on their bookkeeping. Although inexperienced at it, most of the women were aware of the importance of bookkeeping. This seemed to be an influence from the training by various supporting programs.

Some women stressed the importance of bookkeeping by quoting from training programs. Either because the training itself was not practical or women could not allocate time for book-keeping within tight schedules in busy life, their accounting skills were at beginner's level. Women's illiteracy was one of the obstacles resulting in the delay of accounting practice. Their account books were hand-written. For example, a successful woman entrepreneur supported by YUM was using an A5 size notebook hand-written in black and red ballpoint pen.

## **4) Financial Planning**

The number of women who were trying to minimize costs was 24 out of 40, including 3 who recorded "very much so". About 70% of women

made efforts to reduce the production cost. However, the related information and know-how available on cost reduction were still limited. As for price control of their own products, more than 80% were confident in their ability to decide on market price. However, the fact that the market share of their product was not big implicates that they were not conscious about strategic pricing.

In reality, women might not understand that they had power and/or initiative in pricing their products rather than just marking the same price as similar commodities priced by others. They had a tendency to give up when their products are not sold. Taking into account the unsatisfactory level of management and accounting, except some women entrepreneurs in easy access rural areas, just one or two rural women entrepreneurs set the price based on the amount of production, cost, and market.

**(6) HOW DO THEY SPEND THEIR INCOME AND WHAT DO THEY EXPECT?**

As for support from family members including husbands, all of the respondents indicated family members were supportive, especially when their business was going well. Most of the rural women entrepreneurs were hoping to spend the income generated by their economic activities on the family members. Only one woman among 40 participants in the kick-off workshop said she wanted to spend the income on herself. Also, only 11 women wanted to re-invest the extra money.

The frequently heard hopes were the investment in children's further education. But they could not describe their children's future concretely after graduating from high education. Only they expressed that they would let the children decide based on their wishes. There were no opinions that they want their children to get involved in agriculture. Rather, they seem to expect that highly educated children would be able to live in the urban area where infrastructure was well equipped, enjoying a good job with a high and stable salary. Since rural women themselves were struggling in an agricultural environment, they did not want their children to go through the same harsh experiences.

**4.5 IMPLICATIONS TO THE MASTER PLAN**

Lessons learnt from some case studies obtained through the questionnaire surveys, interviews and site visits were discussed here to find the implications to the creation of the master plan for promotion of women entrepreneurship.

#### **4.5.1 ORIGIN OF MOTIVATION**

The comparison of the motives as reported in the questionnaire survey by the successes and failures reveals that the active factors contribute more to the success of the business although “to generate income”, which is considered a passive motive, is common to all women entrepreneurs. It shows that starting up one’s own business based on one’s own desire and initiative, accelerates a stronger initiative to continue and make efforts to their business.

#### **4.5.2 FORMING OF A BUSINESS GROUP**

To be qualified as a KPWM group by DOA or to receive YUM credit, women are required to form a group. Consequently those women who have access to government-related support have relatively greater chances to form groups to make use of supporting programs. Merits of performing as a group are the benefits from sharing knowledge and know-how, exchange of information, work sharing, and alleviation of the labor burden among members as pointed out by Sabahan women entrepreneurs. Some women establish individual business after receiving group support. Currently rural women’s groups/entrepreneurs are not well involved in cooperatives or associations which could assist at the expansion stage. The individual entrepreneurs wish to network among businesswomen to exchange information, which makes for the expansion of the current limited network of family and neighbors.

#### **4.5.3 LEADERSHIP**

Impression from site visits tells, “The villages with strong leadership tend to be more developed.” Geographically isolated areas cannot be reached by the public sector; consequently supporting programs cannot be provided unless community leaders try to expose their people to the outside world. For example, a village in Banggi Island, Kudat has people motivated towards betterment despite their poor access to markets. The woman leader in this village mobilizes and organizes village women and she herself went all the way to Kota Kinabalu to obtain a sponsor to provide the computer for women’s activities. Clearly this leader influences the following village women greatly.

The qualifications to be a leader, based on the interview results are i) being trusted, ii) being decisive despite criticism and backbiting, iii) being patient to continue the business by overcoming obstacles, and iv) being active to take initiative among others. An already successful woman entrepreneur who made a



presentation in the kick-off workshop had a clear vision and planning for her business. She expressed, confidently, her group's future plan including diversification of products, internationalization, and ICT utilization for the coming 10 years. Another woman leader in rural Sabah pointed out the qualification to be a leader as "loving to help other people, being able to guide other people".

#### **4.5.4 TIMELINESS OF SUPPORT**

There are high needs for capital. This is concluded by looking at the current approach from women to loans provided by government-affiliated organizations such as YUM and AIM. In fact, women actually started with such loan assistance. In the questionnaire survey, women express their low satisfaction with access to financial credit among other sources. YUM loans are now delayed in disbursement due to the budget reform. Consequently, some applicants for YUM loans, who already have other attributes including market, transportation, skill training, information, and equipment, cannot start just because of the lack of capital.

#### **4.5.5 SUPPORT OF THE FAMILY AND THE COMMUNITY**

Support from family is indispensable for a woman's success business. Out of 81 valid answers from the questionnaire, all the women entrepreneurs responded they were supported by their family with one exception of 'concerned at the beginning'. This is very true because it is answered without any pressure such as presence of husband or other family members. In addition, about 80% of women said "very much so". It follows, therefore, that family support is a necessary condition although it is not a sufficient condition. It is noteworthy; however, that a successful woman entrepreneur said a husband who is not quite sure of the potential of his wife's business becomes very supportive only when it gets successful.

#### **4.5.6 USER-FRIENDLY SUPPORTING PROGRAM**

The rural women entrepreneurs want the programs "near". The service should always be just nearby to them, literally. The service should be friendly in addition to be geographically "near" to avoid the situation of psychologically far. "You are welcome", "Everybody wants to access to that service without hesitation"; such type of programs are those that rural women's groups/entrepreneurs want. And then the rural women's groups/entrepreneurs want to have something enjoyable.

It means rural women entrepreneurs want functional assistance for them to start and continue their business. Many women among already successful entrepreneurs expressed their feeling of involvement in something worthy of effort regardless obstacles. In order to incorporate all these points in the future program for women in rural areas, the total service should be delivered to the place where rural women actually are. Practical and friendly service will improve the rural women's access to the programs.

#### **4.5.7 ROLE MODEL**

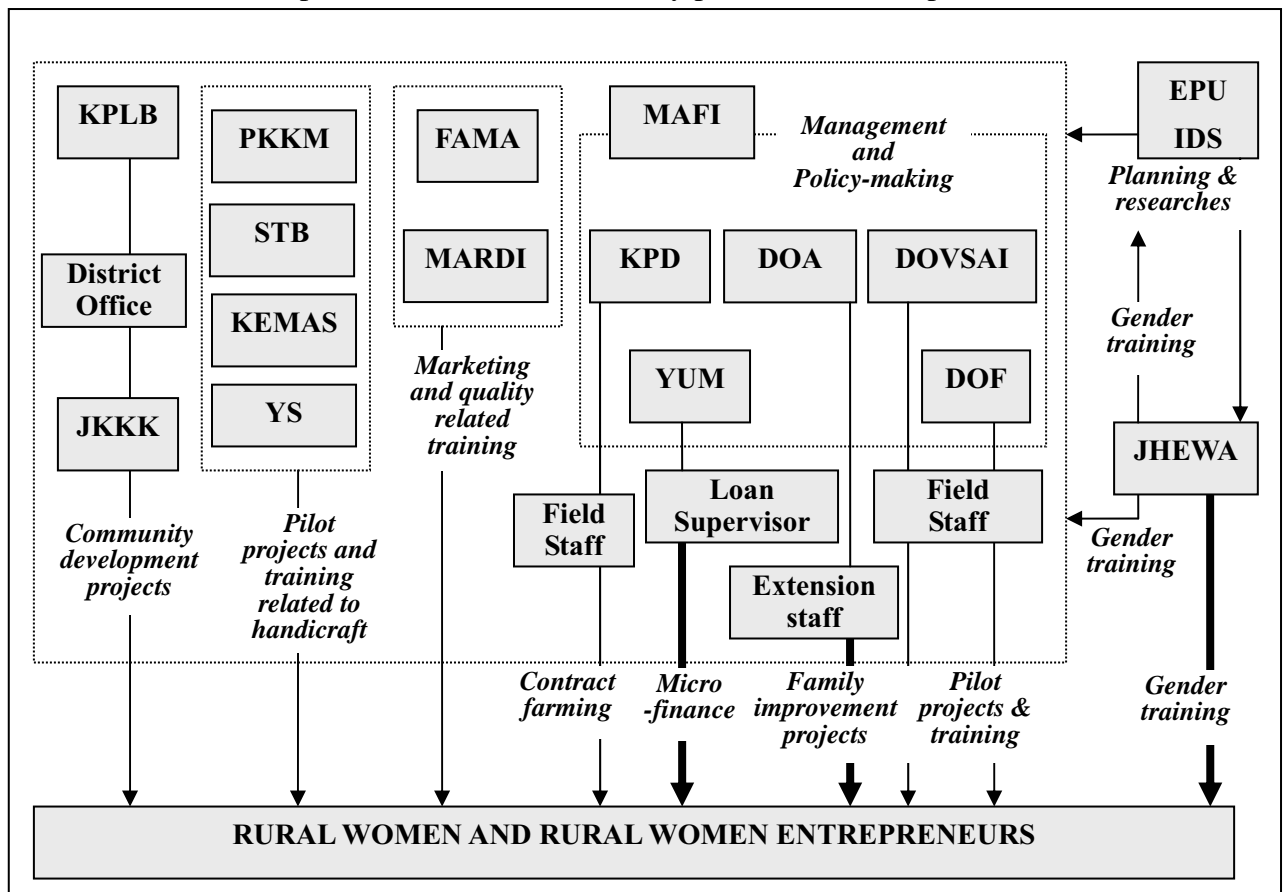
Women that are already successful not only stimulate those who are just wishing to start their activities but also continuously encourage those women who are already enjoying the fruits of the business. For example, some urban-based successful women entrepreneurs are willing to contribute in some way for the economic advancement of rural women. Their comprehensive capacity, based on the knowledge, information, experience and established networking as well as their own understanding of rural areas in Sabah where they themselves grew up would be quite helpful. Therefore they should be utilized as role models for the promotion of rural entrepreneurship. Also they could be mentors for even model groups of rural women. If they provide motivational talks not only in Kota Kinabalu but also in various places in Sabah, women will be encouraged to start up their business and nurture leadership.

## CHAPTER 5: SUPPORTING AGENCIES

### 5.1 SUPPORTING SYSTEM FOR RURAL WOMEN'S ACTIVITIES

#### 5.1.1 OVERVIEW

It is government agencies and NGOs that are active in supporting rural people. Among the few projects targeted to support women, the Department of Agriculture (DOA) of the Ministry of Agriculture and Food Industry (MAFI) implements the project to form a rural women's group and to educate them for rural life improvement through the Farm Family Development Units (PKT) and Rural Women Entrepreneur Group (KPWM) Program for determined women entrepreneurs. And the Yayasan Usaha Maju (YUM), micro-financing foundation under MAFI provides micro-credit for only poor women entrepreneurs.



(Data Source: Prepared by the JICA Study Team)

Note: The thicker lines indicate the supporting programs directly targeting women.

**Figure 5-1 Existing Rural Women Supporting System of the Government Agencies in Sabah**

The on-going government projects for poverty eradication and rural life improvement in the agro-related sector are shown in Table 5-1. Most of the projects are targeting rural area households except DOA's Farm Family Development Project and Rural Women Entrepreneur Group Program and YUM General .

**Table 5-1 Government Programs for Poverty Eradication and Rural Life Improvement in Sabah**

<b>Name of organization</b>	<b>Program to eradicate poverty</b>
<b>DOA</b>	<ul style="list-style-type: none"> <li>- Short-term and long-term agriculture subsidies</li> <li>- Paddy planting subsidies</li> <li>- Small holders assistance scheme</li> <li>- Planting rehabilitation scheme</li> <li>- <b>Farm Family Development Project</b></li> <li>- <b>Rural Women Entrepreneur Group Program</b></li> </ul>
<b>KPD</b>	<ul style="list-style-type: none"> <li>- Contract farming on poverty</li> <li>- Marketing of rural and agricultural produce/products</li> <li>- Training of target groups</li> <li>- Provision of rural credit</li> <li>- Processing facilities in rural areas</li> </ul>
<b>YUM</b>	- <b>General Loan Scheme Program</b>
<b>DOF</b>	<ul style="list-style-type: none"> <li>- Fish pond building assistance scheme</li> <li>- Fishermen assistance scheme</li> <li>- Fishermen training</li> </ul>
<b>KPLB</b>	<ul style="list-style-type: none"> <li>- Minor development projects</li> <li>- Village rehabilitation project</li> <li>- PPRT project</li> <li>- Sabah Integrated rural development project (Pembangunan Luar Bandar Bersepadu Sabah)</li> </ul>
<b>Sabah Rubber Industry Board</b>	<ul style="list-style-type: none"> <li>- Rubber resettlement scheme</li> <li>- Rubber replanting and new planting</li> </ul>
<b>DOVSAI</b>	<ul style="list-style-type: none"> <li>- Buffalo assistance scheme</li> <li>- Small-holders animal rearing project</li> <li>- Dairy project</li> <li>- Sheep rearing scheme</li> <li>- Duckling distribution scheme</li> </ul>
<b>KKPDN (= KO-NELAYAN)</b>	<ul style="list-style-type: none"> <li>- Fishermen assistance scheme</li> <li>- Basic development assistance for fishermen</li> <li>- Fishermen housing assistance scheme</li> </ul>
<b>Department of Irrigation and Drainage</b>	<ul style="list-style-type: none"> <li>- Paddy fields upgrading</li> <li>- Minor irrigation programs</li> </ul>

(Data Source: Prepared by the JICA Study Team)

Some relevant projects do not target women but do include women as beneficiaries. These projects include the Contract Farming Project of the Rural Development Corporation (KPD), various aquaculture and fishery product processing projects of the Department of Fishery (DOF), and various livestock farming projects of the Department of Veterinary Service and Animal Industry (DOVSAI). All these agencies are under MAFI, which formulates policies and coordinates budget allocation in agriculture (including fishery and livestock industry) and food industry.

As rural women are also engaged in handicraft making, in which agricultural and fishery resources are utilized, support for handicrafts is also included here. In handicrafts, the Malaysian Handicraft Development Corporation (PKKM), KPD, the Community Development Division of the Federal Ministry of National and Rural Development (KEMAS) and the Sabah Tourism Board (STB) assist women in production technology, and sales and marketing. The State Ministry of Rural Development (KPLB) has joint programs with other government agencies to promote rural industry for eradicating poverty, which includes handicrafts, agro-processing, and aquaculture. This does not specifically target women, but there are women beneficiaries in their programs.

Women's issues in general are under the jurisdiction of the Department of the Women's Affairs (JHEWA) of the State Ministry of Community Development and Consumer Affairs. Currently it does not have programs targeting rural women. However, it runs the women's service center and arranges gender training courses. All these state agencies are under the State Economic Planning Unit (EPU), which formulates the development policy of the state and allocates the budget to the ministries. The Institute for Development Studies, Sabah (IDS) conducts research and planning and provides training related to rural development.

In the state of Sabah, there are federal government agencies which are active in supporting rural people. The Federal Agriculture Marketing Authority (FAMA) supports agro-products marketing, and the Malaysian Agricultural Research and Development Institute (MARDI) assists in the technology development in agro-processing. KEMAS has rural life improvement and income generation skill training under their informal and lifetime study program. Not all of them focus only on women; however, the majority of the participants are women.

It should not be ignored that some financial and non-government institutions can be of help for rural entrepreneurs. In the area of financial assistance for rural

women entrepreneurs, besides YUM, there are also AIM, SCC, MARA, TEKUN, and AIM, a micro-finance institution which was set up under the strong initiative of the federal government. Environmental NGOs such as Partners of Community Organizations, Sabah (PACOS) have community development programs. There are some women's organizations which support women entrepreneurs. However, their focus is on urban area and women who are at the higher business stage.

### **5.1.2 SUPPORTING AGENCIES AND PROGRAMS**

#### **(1) STATE MINISTRY OF AGRICULTURE AND FOOD INDUSTRY (MAFI)**

MAFI controls agriculture, livestock, and the fishery industry based on the Third National Agricultural Policy (1998-2010) and Sabah Agricultural Policy (SAP 2: 1999-2010). It has four (4) departments and four (4) implementing agencies, and the study so far focuses on DOA, DOF, KPD, and YUM. The main role of MAFI, which is run by a staff of 82, is to lead policy formulation and to coordinate budget allocation. The related policy is formulated through the steering committee that is established with the permanent secretary as chairperson and related agencies as members.

Each implementing agency has a five-year plan (2001-2005) which has a budgetary framework and matches the 8th National Development Plan.

#### **(2) STATE DEPARTMENT OF AGRICULTURE (DOA)**

DOA operates according to SAP 2 and DOA implementation policies. Its main objective is to direct food production. It offers agricultural technology and services, aiming for the systematic and competitive farm families. Promotion of agro-tourism, commercialization of farm families, and poverty reduction are also targeted.

The main function of DOA is training for farm families, youths and staff members, research and development of food quality improvement and packaging technology, quarantine, and extension. It has 1,781 staff members, research centers, and three training centers.

The extension branch implements five projects through its 25 District Offices, namely, i) short-term crop subsidy scheme, ii) small farmer assistance scheme for palm oil, coconut, cacao, coffee, and fruit growers to pursue economics of scale,

iii) long-term crop subsidy scheme, iv) crop restructuring scheme such as coconut, cocoa, and fruits, and v) farm family development project. The PKT provides rural women support and its 207 staff members are women. A budget of RM 0.2 million was allocated for implementation in 2002.

DOA's system of fostering women entrepreneurs is two-fold. Its PKT becomes an introduction for rural women to start income-generating activity, and PKT's graduates who are willing to be entrepreneurs can move on to the KPWM program. PKT under its Extension Branch organizes more than 25 women in a group and offers training on family life improvement and basic income generation skills. The four (4) to six (6) week course has compulsory modules such as family health, parenting, family motivation, consumer education, family and business, and vegetable farming. Its optional modules are agriculture product processing, sewing, handicraft and embroidery. There are 207 staff in charge of PKT, all of them are women. The objective is to increase farm family income more than RM 600 per household per month. In 2002, 28 one-year courses were conducted. Another course is a one-day food-processing course and it has been held 50 times per year. By the end of 2001 it covered 11,088 women in 942 groups (Table 5-2).

The active women who graduated from PKT and other women who meet the criteria of household income below the poverty line but *per capita* income of more than RM 100 can form KPWM, a group of more than five people, and qualify for the KPWM assistance program. The assistance includes an additional training course, a ten-day women's business course, which is newly introduced for management training, book keeping, and business planing. There will be four business courses this year. KPWM is also entitled to lease equipment, general business assistance and link to assistance by other agencies. KPWM programs so far covered 725 women in 103 groups.

DOA trains the head of extension in each district office as a trainer, and in turn, the head trains the extension workers who in turn teach rural women. The training course is decided at its headquarters. The budget for this year is RM 250,000, a decrease from the previous year.

Since both PKT and KPWM beneficiaries tend to have similar products in the same market which results in market saturation, for KPWM, DOA tries to coordinate the products to fit in a one zone one product concept. KPWM members are encouraged to become independent and leave the group after accumulating

business experience and funds. DOA offers study tour opportunities for advanced women entrepreneurs to visit other entrepreneurs and learn from each other.

**Table 5-2 DOA's PKT Groups and Members (as of December 2001)**

DIVISION	DISTRICT	NO. OF GROUPS	NO. OF MEMBERS
1. KUDAT / WEST COAST DIVISION	1. Kudat	14	185
	2. Matunggung	21	228
	3. Pitas	31	421
	4. Kota Marudu	43	514
	5. Ranau	62	738
	6. Kota Belud	90	1,010
	7. Tuaran	102	1,479
	8. Penampang/Kota Kinabalu	29	318
	9. Papar	85	805
<b>TOTAL:</b>		<b>477</b>	<b>5,698</b>
2. UPPER/LOWER INTERIOR DIVISION	1. Tambunan	23	244
	2. Keningau	33	336
	3. Sook	13	172
	4. Nabawan	31	355
	5. Tenom	61	741
	6. Sipitang	43	465
	7. Kuala Penyu	24	257
	8. Beaufort	52	627
<b>TOTAL:</b>		<b>280</b>	<b>3,197</b>
3. SANDAKAN DIVISION	1. Sandakan	24	246
	2. Beluran	17	202
	3. Kinabatangan	26	287
	4. Telupid / Tongod	21	222
<b>TOTAL :</b>		<b>88</b>	<b>957</b>
4. TAWAU DIVISION	Tawau	26	281
	Kunak	26	392
	Semporna	25	263
	Lahad Datu	20	300
<b>TOTAL :</b>		<b>97</b>	<b>1,236</b>
<b>SABAH TOTAL:</b>		<b>942</b>	<b>11, 088</b>

(Data Source: DOA)

### (3) STATE RURAL DEVELOPMENT CORPORATION (KPD)

KPD was established by the state government in the 1970s with the main mission to reduce poverty in rural areas. In the beginning, it was to transform the idle land into farms and settle rural poor people to become small land holder farmers. Currently, it mainly supports the agriculture-related income generation activities of the poor farmers to be commercially viable. KPD shall also aim to be a



commercially viable organization by 2010, and now is in the process of slimming down and streamlining. Currently KPD can support half of its budget from operational income, and ninety percent of that is from the chicken farm unit. Eventually it will attempt to run the projects not relying on the subsidy except for the training programs. In the process, it also seeks cooperation with private and NGO sectors.

The budget of KPD is RM 6 million per year and it has 614 staff members, of which, 200 are at headquarters. It has a countryside development department, group service department, training unit, and chicken farm unit. The country-side development department is the implementation arm and it is divided into five (5) management groups to cover five (5) KPD divisions, which are divided into 20 KPD districts. It has 15 production centers and 19 demonstration centers.

One of KPD's main activities in rural development is Contract Farming. The support is called the "package" because it covers from production up to sales. It is a package support including the production, processing, packaging, storage, transport, marketing and distribution. The form of support is through technology training, loans in kind, and mandatory savings. The project does not target women. It deems that it covers women as a part of the contract farmer family. Contract farming counts 73, with 16,551 contract member farmers, out of which, 3,516 (21.2%) are registered under the names of women (Table 5-3). The crops they contract are maize, mushrooms, tobacco, palm oil, rice, groundnuts, coffee, potatoes, rattan, fruits, and yams. In addition, some contract farmers are engaged in poultry, honey, and goat farming. Introduction of machinery is also a part of the contract farmer project. Currently a cost-sharing system for transporting produce has been initiated.

For the contract farming family, KPD has a handicraft project to support the family member to generate additional income. It does not target women, but all the participants are women. KPD staff shows the marketable handicraft model to the members to produce, and visits once a week to purchase the products. They are sold to the handicraft center and middlemen.

KPD lays emphasis on its marketing function. Each management group controlling the activities in a KPD division has a marketing section attached, and in addition, it has the marketing unit. The marketing unit purchases crops and products from contract farmers and other units, and sells them at the market (KPD Tamu and other Tamus), to the middlemen and wholesalers. The products are sent

by District Offices and distributed from headquarters in Kota Kinabalu, which has a packaging, storage, and transport function. KPD is deemed the leading marketing agency under MAFI. To emphasize this function it has a joint project with FAMA. Previously it had a food-processing factory called DESA Company, which was privatized in 1994. KPD still maintains strong cooperation with the company in purchasing agro-related products.

**Table 5-3 Rural Women Participation in KPD Contract Farming**

Regions/ District	No. of Contract Farming Projects	Total Participants	No. of Women Participants	Percentage (%) of Women Participants
West Coast	9	726	113	
Beaufort / Kuala Penyu	5	637	96	
Sipitang	4	360	83	
<b>Sub-Total</b>	<b>18</b>	<b>1,723</b>	<b>292</b>	<b>16.9%</b>
Kota Marudu	4	1,063	212	
Kudat	2	1,065	169	
Pitas	2	1,225	111	
Pulau Banggi	1	301	20	
Kota Belud	4	812	71	
Ranau	7	879	180	
<b>Sub-Total</b>	<b>20</b>	<b>5,345</b>	<b>763</b>	<b>14.2%</b>
Sugut	1	926	248	
Sandakan / Labuk	3	604	212	
Upper Kinabatangan	2	927	191	
Lower Kinabatangan	4	461	108	
<b>Sub-Total</b>	<b>10</b>	<b>2,918</b>	<b>759</b>	<b>26.0%</b>
Tambunan	4	436	121	
Keningau	2	593	152	
Tenom	3	767	227	
Nabawan / Pesiangan	4	910	164	
Sook	3	2,366	633	
<b>Sub-Total</b>	<b>16</b>	<b>5,072</b>	<b>1,297</b>	<b>25.5%</b>
Lahad Datu	2	534	211	
Kunak	1	184	45	
Semporna	1	247	41	
Tawau	3	370	93	
<b>Sub-Total</b>	<b>7</b>	<b>1,335</b>	<b>390</b>	<b>29.2%</b>
Poultry (Broiler)				
West Coast	1	101	11	
Klias	1	57	4	
<b>Sub-Total</b>	<b>2</b>	<b>158</b>	<b>15</b>	<b>9.4%</b>
<b>Grand Total</b>	<b>73</b>	<b>16,551</b>	<b>3,516</b>	<b>21.2%</b>

(Data Source: KPD)

Another function of KPD is training. Under the training unit there is the KPD-OISCA Youth Training Center in Tenom, offering a one-year agriculture, food-processing and animal husbandry course. The Center accepts 50 students every year, and 30% of them are girls. The capacity to accept girls is limited.

**(4) YAYASAN USAHA MAJU (YUM)**

YUM is a Grameen Bank replicated micro-finance pilot-project run by KPD and IDS started in 1988 to provide credit to the poor and the hardcore poor. It became an independent micro-finance institution under MAFI in 1995. YUM targets women aged 18 to 45, whose monthly household income is RM 315 (or *per capita* income RM 64). The women are grouped and provided credit with mandatory savings services. Its beneficiaries reached 13,821 and the loan amount reached RM 42.5 million at the end of 2001. The cumulative repayment rate is 98.5%. 70% of them are in the rural areas and 30% in the urban areas. It has a staff of 167; 129 are directly involved in credit and savings, and 20 of them are women.

The following data shown at the state level women’s entrepreneurship seminar gave a summary of the YUM activities in the middle of 2001.

	<u>Program Results</u>	<u>Net</u>
- Total of members	13, 354	(7,704)
- Village	1,055	(967)
- Group established	2,169	(1,906)

	<u>Total sum of loan given</u>	<u>Number of Loan Acceptor</u>	<u>Paying back Rate</u>
SPA	RM41, 688,080	24,452	98.45%
SPA2	RM 723, 000	56	90.66%
SPP	RM 10, 600	20	100%

Program Impact

- (1) IDS research (1991, 1992, 1993) shows that ≥ 642 family or member income has passed the border of poor income.
- (2) Every ringgit that was loaned to the members was invested in order to increase their income with an average increase of RM2.92/month.
- (3) YUM analysis shows that the cost for each ringgit that was loaned has decreased from 76 cents (1993) to 45 cents (1995). Benefits have increased from RM5.31 (1993) to RM5.90 (1995).

Even though it has been proved that YUM contributes to poverty eradication, it faces financial difficulties. It is currently included in the state government

statutory corporations revision program. It was planned at the time of YUM incorporation that its operational cost shall be borne by the state government, and loan funds shall be raised from the private sector as soft loans. However, due to the impact of the Asian Economic Crises in 1997, raising the loan funds faced difficulties, and only a small amount was raised through the Sabah Credit Corporation and Grameen Bank Foundation backed by CitiBank. The operational cost budget from the state government has also been curtailed. For fiscal year 2002, only RM 2 million was approved, which could cover just half of the operational cost. As a result, YUM was obliged to close nine branches this year and is left with 13 branches. Under the circumstances YUM did not disburse any new loans this year.

On the other hand, this could be the time for reinforcing its follow-up and evaluation capacity. YUM's branch is headed by a branch manager, and has accountants, all of whom are male loan supervisors, who meet beneficiaries every week. Currently the main task of loan supervisors is to attend the center meeting (meeting with beneficiary groups) and administer the repayment and savings. Since the branches are not computerized, the loan supervisors have to spend half of their time in filling, in accounting and reporting documents. It could be improved tremendously if a computer is introduced to branches on their administration and then they could spend the time on follow-up and evaluation of the beneficiaries.

YUM has a staff training center attached to the Kota Marudu Branch. There used to be a training unit conducting training for the representatives of the beneficiaries (called center chiefs) and staff members, but due to the budget constraints, the unit was dissolved and training is now under the administration and personnel section.

#### **(5) DEPARTMENT OF FISHERIES (DOF)**

DOF controls fishery, aquaculture, and the marine environment in Sabah, and it aims for modernization and commercialization of the industry with growth and sustainability potential. Alongside, DOF also guides fishermen, aqua-farmers and fishery communities. Its annual budget is RM 12 million and it has 423 staff members. Its departments are planning and finance, accounts, administration, aquaculture strengthening, fresh water fishery, resource control, research and development, training, and information management.

DOF's scope of work includes authorization and licensing, training for fishery, aquaculture and food processing, quality control of fishery products, technology development, and environment protection. The staff is trained for both management and technology in fishery. DOF does not target women for their projects, but some projects have women beneficiaries such as aquaculture and brachan processing which is held at the aquaculture training center.

The participants for the aquaculture project obtain the necessary set of facilities free. The results of the workshop show the advantage of DOF with the rich water resources and projects sites available in the state, and its strong training facilities. However, lack of highly trained staff and limited budgets are pointed out as its weaknesses. More food-processing facilities and marketing support to the beneficiaries are desired. It has been suggested that the capacity building area include the improvement of staff capabilities, having more financial support, exploration of markets, and networking among related agencies.

#### **(6) STATE MINISTRY OF RURAL DEVELOPMENT (KPLB)**

The ministry is in charge of planning, coordination and implementation of rural development programs, according to the Sabah Outline Perspective Plan (2001-2010) and the Sabah Rural Plan. At headquarters there are 143 staff members to oversee district development and administer poverty eradication projects. Its regional arms are district offices.

KPLB organizes district administration by appointing community workers and approving the establishment and chairman of JKKK. It also has human resource development programs for communities.

The poverty eradication function of KPLB takes several forms: to monitor and coordinate poverty eradication programs, to be a secretariat for the rural development committee and conduct surveys on the hardcore poor and the poor, to control and streamline poverty data, and to implement project for hardcore poor farms.

Part of the poverty eradication program is implemented by the Entrepreneurial and Cottage Industry Unit. The Unit is allocated the budget for Entrepreneur Development and One District One Industry Program. The Entrepreneur Development comprises Entrepreneurial Dialogue, Training Courses, and Community Learning Centers. The Entrepreneurial Dialogue Program visits rural areas and creates the forum for potential entrepreneurs and supporting agencies to

consult and exchange information. KPLB organizes training courses for rural people to give them exposure to and understanding of, new technology. The Food Processing Course teaches the preparation of fish/marine products, banana snacks, pastry, flavored drinks, and glutinous rice. It has Sunday Market Premises to offer the graduates of the training courses.

Its One District One Industry Program focuses on the economic activity in the district by encouraging more local entrepreneur participation, with emphasis on idle land development. It includes seaweed aquaculture, banana chip processing, and cropping. The program is not women-targeted. However, it has women participants. The program is basically a joint venture with other agencies such as DOF and FAMA. The focus is on marketable products. KPLB also builds Tamu-Niaga along the main road to cater to the marketing needs of local products.

KPLB has a relatively abundant budget allocation both from the state and the federal government. The budget allocation for the 8<sup>th</sup> Malaysia Plan (2001-2005) is RM12.45 million of which, RM 3 million is for Entrepreneur Development and the One District One Industry Program.

#### **(7) STATE DEPARTMENT OF WOMEN'S AFFAIRS (JHEWA)**

JHEWA is a unit under the State Ministry of Community Development and Consumer Affairs. It aims to promote the advancement of women's status according to the National Women's Policy guidelines. The Unit has 15 staff (three (3) professional staff) but projects are operated through sub-committees that have members from different units under the ministry. It conducts research and information gathering on women's affairs for policy inputs, organizes women/gender training and seminars, and also works as a secretariat for the Sabah Women's Advisory Council. It has a women's service center for training and counseling, funded by the Federal Department. The annual budget of JHEWA has been RM 0.1 million since 2000.

Their women/gender training and seminars cover the topics of gender education, laws, and entrepreneur training. They are conducted twelve times a year and the participants are local administrators, NGO staff, and JKKK members.

The output from the Self-Evaluation Workshop shows that capacity building is needed for strengthening the function of research and data collection, and the specialization of the staff. Lack of training centers and vehicles are also pointed out. The participants felt the role of women is not fully recognized by the policy

makers. On the other hand, they analyzed that the strength of JHEWA is the network they built with government agencies and NGOs. JHEWA also has the idea of having a one-stop center for rural women, which supports them from start-up stage to matured entrepreneurs.

#### **(8) STATE ECONOMIC PLANNING UNIT (EPU)**

EPU is in charge of state policy and strategy formulation. It administers macro and regional economy data analysis, budget coordination, and privatization. The Organization has 80 staff members and 60% of them are women. It does not have any projects; thus no development budget is allocated to EPU. The State development budget for 2002 was RM 490 million, 20% less than the previous year.

It is a part of Sabah State development policy to promote women's participation in development and the enhancement of the role of women. However, the state statistical data does not have data broken down by sex. Therefore it was confirmed at the Workshop that the data collection capacity of EPU should be strengthened. In fact EPU has already made an effort to obtain the budget for capacity building of data segregated by sex.

#### **(9) MALAYSIAN HANDICRAFT DEVELOPMENT CORPORATION (PKKM)**

PKKM is basically involved in training and had sealed a Memorandum of Understanding (MOU) with the Sabah Foundation to work together on handicraft development to help the rural poor. PKKM is willing to cooperate with every government agency. In the past PKKM worked with other agencies individually but not as a group.

The PKKM assessment of handicrafts in Sabah is that there has not been much change in motif and design since eight (8) years ago.

PKKM Sabah does not have branches in other districts, and is located only in Kota Kinabalu but has an incubator in Kota Belud. This makes it difficult to collect data from all over Sabah, but PKKM can utilize the network of Yayasan Sabah which has offices in all the districts.

#### **(10) SABAH TOURISM BOARD (STB)**

The Sabah Tourism Board (STB), formally known as Sabah Tourism Promotion Corporation (STPC), is an agency of the Sabah state government operating under the purview of the Ministry of Tourism, Culture and Environment. STB's primary responsibility is the marketing and promotion of tourism for the state. It also functions as a catalyst for the tourism industry by recommending to the government the best possible means to facilitate the development of the industry and take part actively in initiating and coordinating activities conducted by the industry's participants. Since it was established in August 1976, Sabah Tourism's responsibilities have continually expanded and redefined to cater to the current needs of the global tourism market.

#### **(11) SRI PELANCONGAN SABA SDN BHD (SPS)**

Established in 1977, Sri Pelancongan Sabah Sdn Bhd (SPS) was reactivated and restructured in 2001 to supplement and complement the roles of the Sabah Tourism Board (STB). SPS' focuses are in the areas of event organization, communications via publicity, publication and management of the Sabah Tourism website, and the promotion, supply and sale of local handicrafts. SPS functions via four (4) operational departments as follows:

1) Information Technology (IT): In 2001, SPS took over the administration of the STB's website [www.sabahtourism.com](http://www.sabahtourism.com) and began work to revamp the website and its contents.

2) Publicity and Publications: SPS started the production of the monthly Sabah Tourism Publication the Sabah Malaysian Borneo Bulletin (SMBB) in March 2001 and distributed it to hotels, airports, and Tourism Malaysia offices worldwide. The SMBB covers topics of interest to visitors such as events, dining, entertainment and leisure as well as places of interest. Other publicity works include radio and television promotions, and design of collaterals, promotional materials and billboards for Sabah Tourism. SPS also provide a Tourism Information Center at its office premises located in Kota Kinabalu.

3) Event Management: SPS took over the organizing of events for Sabah Tourism which includes musical performances, events such as the Sabah Fest, and sporting events such as the Asian Triathlon and the annual Climbathon.



4) Trade and Merchandising: SPS' role in marketing, improving and producing local handicraft products was an important focus in 2001. The handicrafts were promoted and sold at the SPS shop "KadaiKu" as well as during MICE exhibitions. The products are also featured in the SMBB and the Sabah Tourism website. In the production of new handicraft items, SPS worked with rural suppliers in assisting and creating business opportunities for the creation of new items, their supply and sale.

#### **(12) FEDERAL AGRICULTURE MARKETING AUTHORITY (FAMA)**

FAMA has its main state office in Kota Kinabalu (KK) and six (6) district offices outside KK. Its main role is marketing support to enhance the income of farmers. It runs the distribution center which becomes the intermediary between the producers and distributors. FAMA also conducts market and price research, sales promotion and processed food promotion. There are eighty staff members and the 2002 budget was RM 2 million, increasing from the previous year.

Their marketing project targets farmers as individuals. It offers a combination of marketing assistance twice a week at farmers' markets, study tours, and seminars. In Sabah, it commenced in 1989 in Pitas, and currently there are 689 participants, out of which, 309 are women. At a certain farmers' market, 14 farmers together expect RM 3 million sales for 2002.

The analysis at the workshop shows the strength of the project is that, items sold at the farmers' market are relatively fresh because it opens more frequently than other markets, and that all the sales become farmers' income. It is also pointed out that the staff are experienced in marketing assistance. The main constraint is that it is difficult to set up a new farmers' market due to the difficulty of finding a suitable space. The solution proposed is to cooperate with other agencies to search for space. For other activities, there is a duplication of work with DOA and MARDI. Therefore, it is suggested that there is a possibility to link up and cooperate together.

#### **(13) MALAYSIAN AGRICULTURAL RESEARCH AND DEVELOPMENT INSTITUTE (MARDI)**

MARDI started operation in Sabah in 1995. Its main role is to develop agriculture and agro-based technology and transfer it to the entrepreneurs. Sabah office has 12 staff members, and five (5) training facilities.

In Sabah it has crop development and agro-base processing projects in six (6) places. The processed items include drinks, pineapples, fish chips, pastes, and mussels. The target participants are organized into a group of three (3) to five (5), and currently it has 20 participants, ninety percent of whom are women. Each group is offered food processing equipment which costs RM 2 to 3 million, thus the cost per project is quite high compared to other agency projects. A MARDI officer visits the site every two weeks for monitoring and advising the participants. It also conducts technology dissemination seminars. The processing technology MARDI offers is relatively high compared to that of DOA and MARDI has training for DOA extension workers.

The analysis at the Workshop shows its strength is high technology / knowledge and good facilities. On the other hand, the constraints are analyzed to be the lack of manpower, which results in weak logistical support, little funding for entrepreneur development projects, and few market opportunities. MARDI Sabah sees the potential in the entrepreneur development.

**(14) COMMUNITY DEVELOPMENT DIVISION, FEDERAL  
MINISTRY OF NATIONAL AND RURAL DEVELOPMENT  
(KEMAS)**

The mission of KEMAS is to uplift the knowledge level of the community, especially in rural areas. It has three thrusts in its objective, namely, attitudinal change, instilling awareness, and providing training to the community in the form of informal and life-time education.

The training courses include skill training, family life training, Muslim training, and literacy training. KEMAS does not specify its program for women only, but the skill training and family life training participants are mostly women. The skill training is normally a one-year course and it includes handicraft, food processing, sewing, embroidery, knitting, and weaving which goes with management skills. KEMAS encourages trainees to apply the skills to improve their income.

The trainees are organized in groups of twenty by the senior supervisors and supervisors at its district offices. The trainees are taught by the community developer who has normally JSC and above, with the certificate of vocational training council. The supervisors also conduct monitoring and evaluation of the programs. There are 20 skill training courses planned for this year targeting 675 participants. In remote areas where the one-year course cannot take place,

KEMAS has the program to send a teacher once a month. This remote area training program covered 147 villages last year in Sabah. Family life training comprises nutrition and food processing.

## **5.2 EVALUATION ON SUPPORTING PROGRAMS**

Evaluation of the supporting activities of related agencies was carried out through two (2) workshops and interviews. It was attempted to understand the supporting system of rural women entrepreneurs, and search for the betterment of the system. It also attempted to analyze the gender capacity of the related agencies.

The first self-evaluation workshop was conducted in February 2002. On May 14<sup>th</sup> 2002, the second self-evaluation workshop was conducted and 25 from eight (8) agencies participated. The second workshop attempted a further analysis of the women-related supporting programs.

The results from both workshops show that there is a tendency to attribute the weakness of the projects only to the given conditions of resources and environment. For example, lack of vehicles, funds, staff, and infrastructure which contribute to the difficulties to access the villages was commonly mentioned as their weakness. On the other hand, there was no mention of effectiveness and efficiency of program implementation.

The existing support seems to concentrate on the start-up stage of determined entrepreneurs. There is less support in the area of sensitizing women who are not exposed to the information on starting business, because most of them are in remote areas to which access is difficult due to inadequate infrastructure and lack of vehicles. More support for upgrading women entrepreneurs is also needed, as a follow-up of existing programs. The importance of distribution, marketing, and sales support is being recognized.

### **5.2.1 ACCESSIBILITY TO THE SUPPORTING PROGRAMS**

Accessibility to the supporting programs can be seen from three (3) aspects: geographical distance, gender consideration of programs, and the availability of the programs. DOA and KPD have offices in all the districts which can cover the state geographically. However, in terms of the availability of women-specific programs and gender consideration, DOA is rated better. DOA has women targeted projects for both pre-entrepreneur level and entrepreneur level, and the staff in charge is all women, which contributes to easier access to the program by

the beneficiaries. YUM has women-targeted projects but its loan supervisors who meet the beneficiaries are mostly men. The interview indicates that the beneficiaries prefer women staff to be in charge. As for KPD and other agencies, programs are designed for either the head of household/family which tends to be men, or rural and community people.

Accessibility of the programs relies on how far the information is disseminated and what kind of support is available for rural women entrepreneurs. It is required to increase the kind of service offered by KPLB to introduce the available services to entrepreneurs.

### **5.2.2 BUSINESS AWARENESS RAISING ACTIVITY**

There is no one-stop supporting service which can provide information of the pros and cons of doing business and link the available supporting services to rural women entrepreneurs. It is recognized by the participants of the workshop that, especially in remote areas, this kind of service is most needed but least found. It is ideal for rural women to have as many alternatives as possible wherever they stay. Currently only KPLB has a consultation service which offers access to the support information even though it is not meant only for women.

### **5.2.3 TECHNICAL TRAINING**

Technical training is analyzed to have two critical issues: gender consideration and the level of technology which is taught. When the target of technical training is a farm family or household, the tendency is that the training participants are men and when it comes to applying the technology for production, women are the main players. If it is obvious that the main implementer is a women, the program could be designed for women participants.

In general, most of the agro-processing and handicraft technology training where women participate is set to a relatively low level and the menu is also limited. Not many training courses are available for women who have already started business and are willing to step up. As a result, the only way left is to collect information by themselves. Currently only DOA offers the study tour opportunity to women who want to step-up.

It should also be noted that technology training of industry which requires big costly machines and facility, tends to focus on men. Women support programs tend to have sewing and food-processing which women can do at home. As a

result, the participants make similar products and compete with one another. Therefore, a new line-up of the program is strongly desired.

Many workshop participants recognized the importance of networking and share the information, especially among the agencies such as DOA, KEMAS, FAMA, and MARDI who offer training in similar areas such as food-processing, embroidery, sewing, and handicraft.

Most of the technical assistance is offered free, such as PKT training of DOA. DOF seaweed aquaculture project, which has women participants, provides free, a set of equipment and technology assistance. On the other hand, KEMAS charges a small fee which is affordable by the rural people, such as a registration fee of RM 5, and a monthly tuition fee of RM 5.

#### **5.2.4 SALES AND MARKETING ASSISTANCE**

The entrepreneur support tends to be in production training. Some DOA-assisted KPWM members do not sell the products in the market but exchange them with other KPWM members.

Compared to other institutions, KPD has stronger emphasis in marketing, and it has already established cooperation with FAMA. KPD's contract farmer marketing assistance has two options; KPD may purchase directly from the producers and resell, or members sell directly to the middlemen or at the market, and KPD may link the farmers to the middlemen, or offer its Tamu which is held twice a month near its district offices. The participants should pay for the venue which is cheap, RM 1 to 2 per space. Transport may be arranged by KPD trucks but a partial cost sharing fee system is being introduced. KPD direct purchase comprises 40%, whereas the latter option is 60% of the total contract farmer sales. For handicrafts, KPD staff visit the members once a week and purchase the products and sell to the handicraft center and middlemen.

Among other agencies, KPLB recognizes the importance of marketing and has the market oriented Product Working Committee. It is also building Tamu Niaga along the main road.

#### **5.2.5 ACCESS TO MICRO-CREDIT**

YUM and AIM offer micro-credit to rural women; they lend the money ranging from RM 100 to 6,000 without physical collaterals. Instead, the beneficiaries are

required to form a group of five (5) to seven (7), and there shall be several such groups in a village to form one center. The system allows a part of the members to obtain loans and the rest shall wait for the repayment of some installments by those who obtained the loan first, to receive their loan.

YUM is under MAFI, and AIM is a federal government initiated micro-finance institution, which started operation in Sabah in 1997. These institutions set the criteria to select beneficiaries, the women who are under the poverty line set by the government, and they are evaluated on income and assets conditions and purpose of the loan.

The operation of micro-finance institutions in Sabah is subsidized because the interest rate or administration fee is not set on a commercial base. While the operation of AIM in Sabah is subsidized by the operation in other states, YUM totally depends on the state government for its operational costs and new loan funds. Even though YUM plans to close nine branches, it may not result in a decrease in available loans because AIM increases its loan month by month. AIM has 10 branches, 3 sub-branches, and a staff training center for Sabah and Sarawak in Sabah. Currently there are 7,273 members and the cumulative loan amount is RM 9.8 million.

YUM tries to top-up its loan fund by arranging soft loans with commercial banks, which results in a higher administration fee of 15% per annum on the loan amount. On the other hand, the fee for AIM is 7% per annum on the loan amount. Even though AIM had the management suspended because of alleged irregularities in issuing loans last year end, its field offices are active.

For both institutions, the loan period is for 50 weeks; weekly installment repayment starts from the second week. The purposes of YUM loans are, trading (59%), livestock and fisheries (12%), agriculture and forestry (6%), and processing (4%). Trading has a greater share, not only because of the weekly repayment requirement, but also it has a lower entry barrier for women that can be started with less start-up capital and at home, and enables them to have daily cash income.

Since the credit service relies on the group, the impact includes the development of solidarity among the members. There is a case of YUM credit leading to the building of the village meeting hall by the villagers, for YUM beneficiaries to meet weekly.

### **5.2.6 ACCESS TO SAVINGS SERVICE**

Both YUM and AIM have mandatory savings schemes attached to the loan program, under which beneficiaries save RM 2 per week. They also have an emergency savings fund to which beneficiaries ask for their emergency money needs such as funerals. KPD and DOA also promote savings for beneficiaries. KPD guides the contract farmers to save 5 to 10 % of the product sales.

### **5.2.7 INFORMATION MANAGEMENT OF THE RELATED AGENCIES**

DOF publishes industry data every year. DOA summarizes the data at its statistics section. The information on rural women is kept at DOA, but is not shared with other agencies. YUM also has a member list of its beneficiaries who are rural women entrepreneurs in the category of poor, but the data are not shared. The list of the poor is summarized by KPLB, which is collected through JKKK. It is a subjective list and not shared with other agencies.

### **5.2.8 PROJECT MANAGEMENT OF THE RELATED AGENCIES**

Most of the agencies conduct monitoring of their programs and it is mostly to check the progress of work plans based on the budget allocation. For example, at DOA, a yearly work plan for each field officer is written up, based on the approved budget plan at headquarters. The work plan includes all the training courses to be implemented in an area by each field officer. Monitoring is conducted according to this work plan, to check the progress of the work and the budget consumption.

Most agencies have not incorporated evaluation into project management yet, nor allocated their resources to evaluation activities. DOA for instance, does not assess the impact of its programs every time, although a follow-up is done to part of the women's groups.

The follow-ups of project beneficiaries are carried out by DOA but not at YUM and KPD because of lack of resources. For example, business performance of YUM beneficiaries could be improved if YUM analyses the impact of the loan and developed follow-up programs such as offering business information for beneficiaries.

## **5.2.9 COOPERATION AMONG THE RELATED AGENCIES**

Functional cooperation is rare between some agencies. MAFI has an “integrated project” for which KPD manages the project by combining the research and development function of DOA and MARDI, the marketing function of FAMA which targets the peninsula and exports, and District Office and Land Survey Section for land acquisition.

The cooperation often seen is in the form of introducing the beneficiary to other agencies, such as DOA or introducing KPWM to other agencies for its further development.

The importance of functional cooperation is already recognized through taskforce team activity and workshops, and participants from related agencies show willingness towards cooperation. However, it is also necessary to have a top-down approach to institutionalize the activity to realize the benefits of cooperation. For the purpose of this study, the leadership of MAFI and EPU level may be necessary. Currently EPU coordinates to avoid duplication at the time of budget allocation. It is further needed to redefine the scope of work of each agency, particularly between DOA and the implementation agencies such as KPD. Confirming the scope of work and developing a functional linkage, may best be achieved through setting up a special taskforce. The taskforce shall also be engaged in acquiring knowledge and sharing that from the federal agencies. Women's issues training can be arranged for member agencies with the focus on rural villages and poverty reduction.

## **5.3 IMPLICATIONS TO THE MASTER PLAN**

### **5.3.1 GENDER MAINSTREAMING**

There is no gender policy in the State of Sabah, and the only agencies which have women-focused programs are DOA and YUM. Workshop participants voiced the opinion that gender considerations should be incorporated in all related projects. However, some participants did not understand gender consideration and some confused it with constraints to access remote areas. Therefore, there may be a need for training of related agency staff in gender related issues.

DOA's PKT and KPWM programs target women and are implemented by women staff. YUM targets women but most of the field staff are men. In other cases, farm family, fishery family, and aquaculture family targeted programs focus on the



family heads who are mostly men (husbands), but the programs are implemented by the women (wives) of the family. It is said that local culture values the concept of the family. Therefore, the support to the family is targeted at the representative, who is usually a man. If the representative happens to be a woman, the male staff of supporting agencies may have a psychological barrier to serving her. Therefore, if more women staff could be in charge of women-related projects, the women beneficiaries will have easier access to the projects. This does not mean however, that women's issues should be taken care of only by women.

It has been recognized among related agencies that in some of their projects the real beneficiaries are women, but the project assumes the participation of men as the head of household or the representative of the family. These projects should be transformed to recognize the participation of women. Unless the government takes the initiative of recognizing women's contribution, the empowerment of rural women cannot be achieved.

The way forward shall be: i) revising the current women-targeted projects to cater to more women, ii) setting up new projects which target women, and iii) incorporating gender considerations in the current non-women targeted projects to open them to the women.

### **5.3.2 INFORMATION TECHNOLOGY**

Along with reinventing government and process re-engineering, for efficiency and effectiveness, a database of rural women should be developed and shared among related agencies.

Promotion of rural women entrepreneurs has a poverty eradication dimension. Currently the state does not have the gender disaggregated data of poverty by district and division. If the poverty reduction target is to be achieved, it is important to have the data available to narrow down the target of support.

The rural women database can be started by combining the scattered information of the targets, such as the poor list at KPLB, the widow's list at the Ministry of Community Development and Consumer Affairs, beneficiary list of YUM and AIM, PKT groups and KPWM lists at DOA. The data collection should be ensured to be politically independent, and the system should have periodical updates. The database can also include information of all the available support for rural women entrepreneurs.

### **5.3.3 MONITORING AND EVALUATION SYSTEM**

Monitoring and evaluation in terms of budget progress is conducted in almost all related agencies. However, evaluation in terms of impact assessment of the project/program is yet to be institutionalized. An exception is KPD, which has started incorporating evaluation into the poultry program based on MS ISO 9000.

The women-related programs can be better designed if the program target is elaborated to include the target for participants to achieve and not only to have the target number of participants for the project. If evaluation takes place systematically, its results can be reflected in project and budget planning. Currently the budget plan formulation process starts from district level. It can be assumed that lessons and feedbacks from the previous projects are reflected in that way. However, it is not organized in a way to reflect the results of the project evaluation automatically. Ideally, monitoring and evaluation should be integrated into the project management routine and they can be combined to database development.

### **5.3.4 NETWORKING**

It was recognized that entrepreneur support information is not shared, which results in duplication of the support and competition among the agencies. Another reason for duplication is because the demarcation of agency work may not be clear to others. Since the State of Sabah is hopeful for the efficient implementation of agencies according to “Reinventing Government Plan (1999)”, it is necessary to clear the demarcation of agency work and build linkages among the agencies, for the limited resources available to be put together to serve the poor rural women. The specialization and cooperation among agencies shall be built, not on the individual staff level, but as an organizational decision. An effort can also be made to obtain more cooperation from the federal agencies in terms of resources and knowledge.

It may be better to establish which agency will lead this demarcation and linkage movement. For example, it can be MAFI in agro-products industry, since MAFI has coordinated the “integrated project” co-implemented by several agencies. Strong government leadership is desired, especially in the area of poverty reduction and gender, where economically, the market does not function. It shall be taken note of that some agencies are expected to balance their social objectives to serve rural women entrepreneurs and their institutional financial sustainability.

### **5.3.5 COST-SHARING**

For those who are at the higher stage of entrepreneurship, a user fee may be introduced to share the cost of support. For example, KPD has already introduced cost-sharing in certain areas of support. With the prospect of limitations on government budget allocation, providing a free service seems illogical. A user fee system also indicates whether the support is really necessary for the beneficiaries or not.

### **5.3.6 WORKING WITH THE PRIVATE SECTOR**

It is difficult for government agencies to respond to the business market and create new products and services because of the institutional culture difference. Therefore, it is recommended that the agencies shall create an incentive scheme for the entrepreneurs to produce new products and services. The idea is to utilize the initiatives of the private sector for creating new, market-oriented ideas. If the new products and services are not introduced, entrepreneurs compete to sell the same products in a small market. This is partly implemented already by DOA in the form of commendations and the idea of competition. In the handicrafts area, commendation and competition in public can also protect new ideas from being copied.

In addition, study tour opportunities can promote private sector initiatives for innovation, as those who have established their business can learn by themselves as long as they are given more exposure to the outside world.

## **PART II: VERIFICATION SURVEY**

## CHAPTER 6: MASTER PLAN FRAMEWORK

### 6.1 ANALYSIS OF TARGET GROUP

The JICA Study Team formulated the framework of “the Master Plan for Enhancing Rural Women Entrepreneurs in Sabah” in collaboration with the Sabah counterpart members in June 2002, based on the analysis of the current conditions of rural women, rural women entrepreneurs and the government supporting agencies and programs. The target year of the Master Plan was set as the year 2010 reflected OPPS and the target group was “rural women in the state of Sabah”.

The words “rural women entrepreneurs” were defined as “the women who were conducting economic activities in the rural area individually or in a group, in which the women 1) played a key role, 2) had responsibility of decision making and 3) received income from the activities prior to preparing the Master Plan framework, the target group was classified to identify their constraints, potentials and needs and secondly the development goals and strategies were formulated.

There was no official list or data regarding the rural women entrepreneurs. To classify the rural women entrepreneurs, the Study compiled the data of the rural women who had already started their business, collected by the gender questionnaire survey and the Study workshops (Chapter 4), and the data collected through the interview and site visit of the food processing survey. The data of the samples are summarized in Table 6-1.

Through the sample survey, the following points were observed:

- (1) Major activities done by the rural women were i) agriculture and livestock production; ii) trading; iii) food processing; iv) handicrafts and sewing; v) catering and restaurants; and vi) home-stay and tourism attraction.
- (2) However rural women were often engaged in more than one type of business such as local cake production, handicraft production and small-scale trading.
- (3) Production and selling activities were usually done individually and groups were formed for supporting programs, training, micro-finance etc..
- (4) There were limited cases of forming a registered corporation.
- (5) Their sales were lower than the poverty line income of the state.
- (6) Accessibility to and from the market and the information source was critical for marketing their products.

**Table 6-1 Summary of the Sample Survey of Rural Women Entrepreneurs**

	Name of Group	Division	Access Time to Town (hrs.)	Supporting Programs	Process Level	Sub-sector	Production Place	Sales (RM/person/month)	Length of Business	Number of members
1	Kg.Montoki Group	West Coast	0.5	KPD	1	Livestock	Domestic	1,500	3	10
2	Kumpulan Wanita Pelita Maju	Interior	0.5	DOA	1	Livestock	Domestic	8,550	7	5
3	Penternak Lebah Madu dan Pembuat Penyapu Wanita, Kg. Gombizau	Kudat	1	KPD	2	Agriculture	Domestic	600	5	23
4	KPD Honey Processing Centre	Kudat	1.5	KPD	2	Agriculture	Workshop	--	11	2
5	KumpulanProjek Tanaman	Kudat	0.7	KPD	1	Agriculture	Domestic	50	7	10
6	Kumpulan Teras KPD	East Coast	0.7	KPD	3	Agriculture	Domestic	300	6	16
7	Koperasi Serbaguna Pengguna DESA	Interior	0.5	N	3	Agriculture	Domestic	182	7	
8	Kumpulan Semut Putih	Sandakan	0.5	N	1	Agriculture	Domestic	7,000	14	5
9	Co-operation	Sandakan	0.2	N	3	Agriculture	Domestic	--	7	2
10	Wanita Tikolod	Interior	0.7	N	1	Agriculture	Domestic	460	1	7
11	Individual	Interior	0.7	N	2	Agriculture	Workshop	4,000		2
12	KPD-OISCA Tenom Training Center	Interior	0.5	KPD	3	Agriculture	Center	--		--
13	Bhg. Pemprosesan Makanan, KPD Keningau	Interior	0.3	KPD	3	Agriculture	Center	--	2	10
14	Individual	Kudat	0.5	YUM	2	Agriculture	Street shop	300		1
15	Group Tomis Jaya	West Coast	0.2	N	2	Agriculture	Street shop	--	31	15
16	Usaha Berjaya	Sandakan	0.2	YUM	3	Agriculture	Near Tamu	4,000	16	5
17	Kumplan Abadi Mewah	Sandakan	0.1	YUM	3	Agriculture	Tamu	2,500	0	5
18	Kumpulan Bunga Raya	Interior	0.3	KPD	1	Agriculture	Village	800	11	3
19	Kumpulan WanitaMaju	Interior	0.1	DOA	3	Agriculture	Market	7,000	1	10
20	Individual	West Coast	0.3	YUM	3	Agriculture	Domestic	1,600	9	2
21	Kumpulan Wanita TaniKiabau	Sandakan	2	DOA	3	Agriculture	Center	--	9	10
22	Kumpulan Petani Wanita Maju Sungai Kapur	Sandakan	2	N	3	Agriculture	Domestic	287	8	6
23	Kumpulan Petani Wanita Maju	Sandakan	0.3	N	3	Agriculture	Domestic	375	6	8
24	Kumpulan Wanita Maju	Interior	0.5	DOA	3	Agriculture	Domestic	3,000	9	10
25	Kumplan KPWM Kg.Malia	Interior	0.7	DOA	3	Agriculture	Domestic	100		6
26	Kumpulan Teras Kg..Aman Jaya Senporna	Tawau	0.7	KPD	2	Agriculture	Domestic	390	7	15
27	Merotai Besar, Tawau	Tawau	0.3	N	2	Agriculture	Domestic	60	22	26
28	KPD-Lahad Datu	Tawau	0.3	KPD	1	Agriculture	Workshop	--	9	6
29	KPWM Ckim Kokos, Kunak	Tawau	1	DOA	3	Agriculture	Domestic	1,300	8	7
30	KPWM, Kg. Cocos, Mile6 Lahad Datu	Tawau	0.3	DOA	3	Agriculture	Domestic	400	9	5
31	Kilang Mee MHM Enterprise	Tawau	0.5	FAMA	3	Agriculture	Factory	12,000	3	12
32	KPWM, Kg. Bait, Semporna	Tawau	1	DOA	3	Agriculture	Workshop	1,560	3	6
33	Individual	West Coast	0.3	N	3	Fishery	Domestic	6,000	51	1
34	Individual	Interior	1	N	3	Fishery	Domestic	500	30	1
35	KPWM—KUM Petani Wanita Maju	Sandakan	0.3	DY	4	Fishery	Domestic	500	9	15
36	Kumpulan Keluarga Tani	Sandakan	1	DOA	4	Handicraft	Domestic	200	7	12
37	Penbangan Keluarga Tani Kg. Muanad	Sandakan	1	DOA	3	Fishery	Domestic	280	7	10
38	Individual	West Coast	0.5	N	3	Fishery	Domestic	4,000	2	5
39	Individual	Sandakan	0.5	N	3	Fishery	Domestic	500	16	25
40	None	West Coast	0.5	KPD	1	Fishery	Domestic	160	5	5
41	Individual	Sandakan	0.3	N	2	Fishery	Domestic	600	0	2
42	Individual	Tawau	0.5	N	3	Fishery	Domestic	450	10	1
43	Individual	Tawau	0.5	N	3	Fishery	Domestic	550	1	1
44	Kumpulan Teras, Kg. Indorah Sabah	Tawau	0.8	KPD	3	Fishery	Domestic	600	4	1
45	None	Tawau	0.5	YUM	3	Fishery	Domestic	7,000	10	3
46	Individual	Tawau	0.3	DOA	3	Fishery	Factory	50,000	5	5
47	Usahamaju Kg. Imam Sebakung	Tawau	0.2	MARDI	3	Fishery	Village	1,000	1	5
48	Meiko Pearl Culture Co	Tawau	1	N	2	Fishery	Aquaculture	--	6	20
49	Wanita Alaf Baru	Tawau	0.3	KPD	2	Fishery	Aquaculture	1,000	2	1
50	Kumpulan Teras, Kg. Indorah Sabah	Tawau	0.3	DOF	2	Fishery	Aquaculture	800	4	20
51	Individual	Tawau	1	KPLB	2	Fishery	Aquaculture	1,500	6	
52	Kilang Memproses Keropak Ikan PPRT(FAMA)	Tawau	0.3	FAMA	3	Fishery	Factory	--	2	7
53	Individual	West Coast	1.5	KPD	2	Forestry	Domestic	1,500	12	51
54	KPD Mesilau	West Coast	2	KPD	2	Forestry	Domestic	1,300	11	2
55	Individual	West Coast	1.3	KPD	2	Forestry	Domestic	600	3	7
56	Women Handicraft Group	Kudat	0.8	N	4	Handicraft	Factory	200	5	30
57	Taginambur Group	West Coast	0.7	DY	4	Handicraft	Domestic	300	19	25
58	Bunga Wawasan	Sandakan	0.1	YUM	4	Handicraft	Domestic	5,000	7	3
59	Kompulan Wanita Maju	Sandakan	0.2	YUM	4	Handicraft	Domestic	1,000	0	5
60	Kompulan Sukses	Sandakan	0.2	YUM	4	Handicraft	Domestic	400	3	4
61	Kumpulan Wanita Maju	Interior	0.3	DOA	4	Handicraft	Domestic	500	9	10
62	Ahli Kumpulan Tani	Interior	0.3	DOA	4	Handicraft	Domestic	800	6	5
63	Kumpulan Orkid	Interior	0.1	YUM	4	Handicraft	Domestic	1,200	10	5
64	Kumpulan Petani WanitaMaju	Interior	0.3	DOA	4	Handicraft	Domestic	200	4	5
65	Usahamaju Kg. Langsat, Merotai	Tawau	0.1	YUM	4	Handicraft	Street shop	500	3	30

(Data Source: prepared by the JICA Study Team)

Note: Process Level 1 = Raw Materials;  
Process Level 2 = Basic Processing of Cash Crops;  
Process Level 3 = Value-Added Processing;  
Process Level 4 = Handicraft

Based on the sample survey data, observations during the field trips done by the Study Team and discussions with the Sabah counterparts, seven (7) criteria alternatives were chosen to compare: 1) rural women’s business level; 2) distance from the market and the information; 3) administrative division; 4) ethnic and religious group; 5) technical level; 6) types and products of their agro-related activities; and 7) types of supporting programs which they join. The contents of each criteria alternative and the comparison results are shown in Table 6-2.

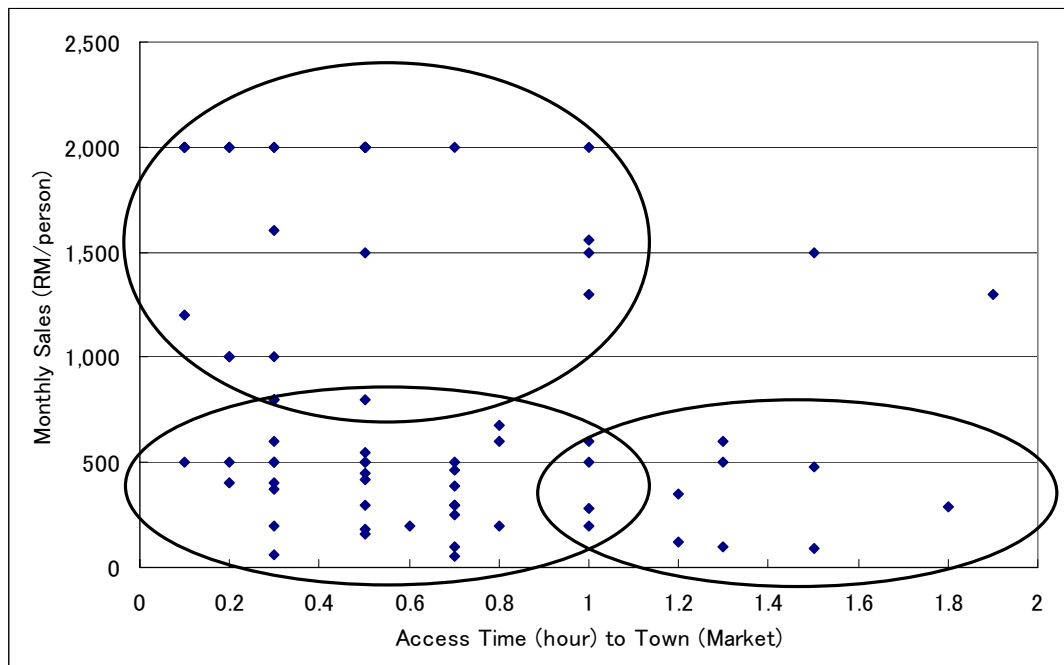
**Table 6-2 Comparison of Criteria Alternatives for Classifying Rural Women**

Criteria Alternatives	Contents and Comparison
1. Business Level	Shows rural women’s current status by their sales and experience, which gives the basic information about their economic activities and their way of thinking about starting business.
2. Distance from the Market and the Information source	Shows rural women’s accessibility (time) to and from the market and the information source, which is one of the critical issues to expand their markets and to improve their product quality and variety.
3. Administrative Division	Agricultural development policies at the local level are not clear. The features of rural women’s agro-related activities by administrative division are not clearly observed.
4. Ethnic Origin and Religion	Ethnic and religious contexts have some relationship with the types of products sold and their ways of thinking and attitude. However, the relationship with production and selling in the rural area is limited.
5. Technical Level	Rural women’s technical level might have a big influence on strengthening their agro-related activities. However, most of them are using traditional primitive skills and it is difficult to classify by these criteria.
6. Types and Products of Their Agro-Related Activities	Rural women often engage in multiple activities. Marketing and product quality have more relationship to success rather than the product types at this stage of the rural women entrepreneurs.
7. Types of Supporting Programs Which They Join	Supporting programs directly targeting rural women entrepreneurs are still limited and a clear relationship between the type of supporting programs and the entrepreneur level can not be observed.

Among the seven alternatives, the two criteria of “business level” and “distance to the market and the information source” were selected as the criteria of classifying rural women entrepreneurs in Sabah. As shown in Table 6-2, the business level of rural women is essential data for formulating the Master Plan for enhancing their activities and improving their income. The accessibility to the market and the information source is one of the serious constraints, which needs to be addressed

through physical, institutional and functional strategies. The other criteria are regarded as the factors which make the differences of business results. The JICA Study Team took the factors into the consideration for analysis.

The relationship between the two selected criteria “business level” and “distance to the market and the information source” is analyzed in Figure 6-1 by using the typical elements of sales and distance. Using the sample data shown in Table 6-1, the business levels of the sample rural women are shown on the Y-axis as monthly sales per person, while the distance to the market is on the X-axis as access time (hour) to a nearby town, where the local market and the local offices of the supporting agencies are located.



(Data Source: prepared by the JICA Study Team)

Note: All of the samples with the sales of more than RM2000 are shown as sales of RM2000 to show the lower sales level data more clearly.

**Figure 6-1 Correlation between Sales and Distance to Market and Information**

Most of the samples are in the group where the members are living in the villages located at an hour’s drive from the nearby town and having monthly sales less than RM 700 per person, which is almost equal to the Sabah’s Poverty Line Indicator (PLI) of RM 685 per month per person. There are some samples who live in the villages of more than an hour’s drive from the town and have monthly sales less than RM700 per person. The level of the monthly sales of RM 700 can be one of the criteria in the classification. The samples of rural women



entrepreneurs in Sabah can be divided into three groups as circled in Figure 6-1. The two exceptional samples, in Figure 6-1, which are located more than one hour drive from the town and still earn more than RM 700 per month per person, are the contract farmers of shiitake mushrooms under the KPD program. Under the contract, the products of these farmers are bought by KPD at a pre-agreed price.

The rural women covered by the Study are the micro-level entrepreneurs and/or the ones who plan to be micro-level entrepreneurs. Therefore, they seldom have accessibility to the large-scale urban markets although some of them have accessibility to the public markets in the nearby towns. However, it is necessary to note that the distance to and from the market and the information includes not only physical distance but also the mental, systematic and institutional distance, such as improvement of the distribution and market system, quality control, inviting more middlemen and wholesalers, cooperation with tourism development, utilization of information technology and so on.

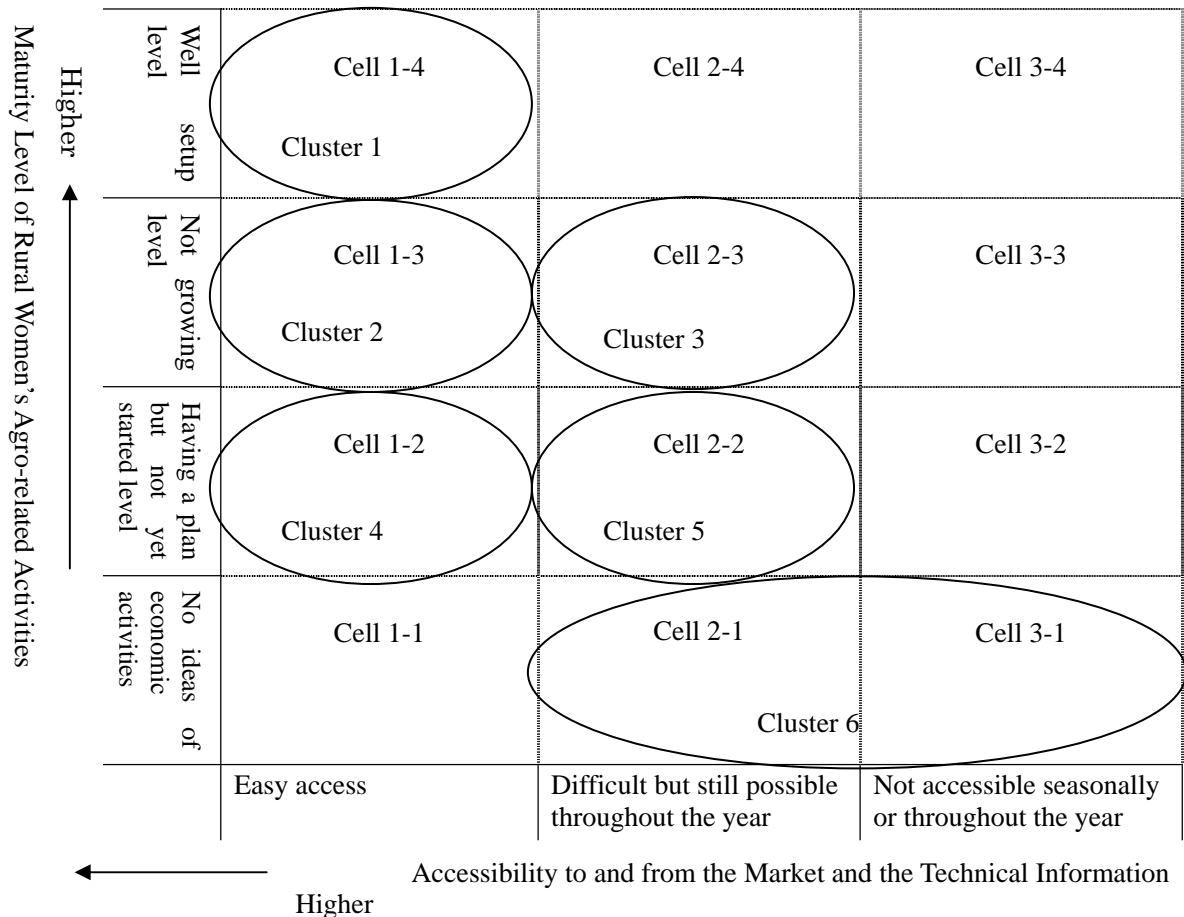
For rural women, transportation is limited and their activities are traditionally limited to the area nearby their villages. Therefore, accessibility to and from the nearby market is one of the critical factors to improve their business level. Additionally, accessibility to technical information and supporting programs is also important. In towns, there are the offices of the agencies which are the access points to obtain technical information and the supporting programs.

“Business level” is expected to have aspects of women’s business status and empowerment level, including the accessibility to economic resources, project management, institutional capacity and so on. Measurement is not possible , quantitatively, however, in order to include the viewpoints of gender consideration instead of only focusing on the business output, the criterion of “business level” is important.

In conclusion, the classification of rural women entrepreneurs in the Study uses the two (2) criteria of “maturity level of rural women’s agro-related activities”, which changed from “business level”, and “accessibility to and from the market and the information source” paraphrased from “distance of market”.

In addition to the rural women entrepreneurs, the Master Plan covers women who live in the isolated villages and have no ideas or opportunities for income generation as well as the women who have a plan for agro-related activities but have not started yet. These groups of women who are not currently involved in

agro-related activities can be shown as in Figure 6-2, considering their relationship with the groups of rural women entrepreneurs. Among the 12 cells of Figure 6-2, it is observed that many rural women and rural women entrepreneurs are included in the six clusters from Cluster 1 to Cluster 6.



(Data Source: prepared by the JICA Study Team)

**Figure 6-2 Classification of Rural Women in Sabah**

## 6.2 FORMULATION OF GOALS

The Master Plan aims at the “enhancement of rural women entrepreneurs”, which means, “to expand rural women’s accessibility to and control of economic resources and opportunities.” Furthermore, the Master Plan is expected to promote income generation of the women and their households, to improve their living environment, and also to contribute to the rural women’s empowerment and poverty reduction in the rural communities. The development goals of the Master Plan framework were set up based on the above background. These are as follows, considering the target year of 2010. Furthermore, the long-term goals were set up to show the direction of the development aimed for by the Master Plan after 2010. To accomplish the overall goals and long-term overall goals mentioned above, it

is necessary to recognize that there are many important assumptions which should be addressed by the state government such as improvement and implementation of the related laws and regulations and the more effective and strong involvement of the government supporting agencies among others.

Based on the analysis of the current situation of the rural women, rural women entrepreneurs and the supporting agencies and programs, the following are the critical problems identified among the rural women and rural women entrepreneurs and of the supporting agencies and programs in the state of Sabah:

**[Rural Women and Rural Women Entrepreneurs]**

- (1) Rural women's roles in the families and their micro-scale economic activities have not been properly recognized and valued (all Clusters).
- (2) Rural women have a tendency of being passive and are expected to play supportive roles in the communities and they are not familiar with planning or doing something by themselves (Clusters 3 – 6).
- (3) Rural women have limited access to training programs and information about the skills of production, accounting, food handling, management and finance (Clusters 3, 5 and 6).
- (4) Rural women have difficulty in marketing of their products, which is difficult for the government agencies to support (Clusters 2 and 4).
- (5) Rural women's access to the micro-finance services to get their initial cost is limited (Clusters 4 – 6).

**[Supporting Agencies and Programs]**

- (6) Extension staff members have limited capability for facilitating and working with rural women through participatory and gender consideration approaches and the top-down approach is common in the existing supporting programs.
- (7) Supporting agencies have limited human and financial resources to assist rural women and rural women entrepreneurs.
- (8) There is no network to coordinate and exchange information among the supporting agencies, and a lot of government agencies from the various sectors are working separately.
- (9) Mainstreaming for women has not been properly promoted in the supporting agencies and the supporting programs.

### 6.3 MASTER PLAN FRAMEWORK

Based on the development goals and the priority problems mentioned above, the following issues were raised while preparing the Master Plan framework.

- (1) To strengthen the system to educate and motivate rural women and rural communities for their rural life improvement.
- (2) To improve rural women's access to the information and training to enhance their businesses and to improve their product quality.
- (3) To improve rural women's access to the information and training to expand their marketing.
- (4) To build capacity and to promote mainstreaming of gender issues in the supporting agencies.

Taking the above priority issues into account, the Master Plan framework was prepared as shown in the Table 6-3.

**Table 6-3 Summary of the Master Plan Framework**

	<b>MASTER PLAN FRAMEWORK</b>
<b>Long-term Goals</b>	<ul style="list-style-type: none"> <li>- More participation of rural women in decision making in the communities</li> <li>- Activation of the rural economy</li> <li>- Easing of disparity between the urban and rural areas</li> <li>- Minimize immigration away from rural areas</li> </ul>
<b>Mid-term Goal</b>	- Life improvement of rural women and their families
<b>Development Goal</b>	- Rural women's income is to increase through the improvement and strengthening of the rural women's agro-related activities
<b>Development Strategies</b>	<ol style="list-style-type: none"> <li>1 Improve awareness of rural women in the isolated area: Education and enlightenment of rural women in group activities and leadership and communities in supporting them</li> <li>2 Improve production skills of rural women entrepreneurs: Improvement of rural women's skills of processing; packaging; storage; selling; business planning, business management and project management skills</li> <li>3 Enhance marketing activities of rural women entrepreneurs: Development and expansion of distribution channels and markets for rural women's products and improvement of rural women's marketing capabilities</li> <li>4 Strengthen supporting programs of related agencies: Capacity building and institutional strengthening of government agencies supporting rural women's activities</li> </ol>

## CHAPTER 7: PILOT PROJECT PLANNING

### 7.1 OUTLINE OF VERIFICATION SURVEY

The verification survey of the PUANDESA Study was launched in September 2002. The verification survey aims to:

- (1) verify the relevance of the Master Plan framework for enhancing rural women entrepreneurs in Sabah, which was prepared in August 2002, through the implementation of the pilot projects.
- (2) make the Master Plan more practical and realistic based on the lessons learned from the pilot projects.
- (3) identify potentials and constraints in the future implementation of the Master Plan.
- (4) transfer knowledge and skills to the Sabah counterparts through implementing and monitoring the pilot projects.

The components and schedule of the verification survey are shown in Table 7-1:

**Table 7-1 Components and Schedule of the Verification Survey**

Schedule	Components
September 2002	- Establish an implementation and monitoring organization structure - Conduct a baseline survey
October 2002 – February 2003	- Implement and monitor phase 1 of the 11 pilot projects
February 2003	- Conduct a mid-term evaluation
March – August 2003	- Implement and monitor phase 2 of the 11 pilot projects
September 2003	- Conduct a pilot project post evaluation
October 2003	- Identify lessons learned and complete the Master Plan draft

### 7.2 FORMULATION OF THE PILOT PROJECTS

The main components of the verification survey are to implement and to monitor the pilot projects. During the pilot project formulation, all the steps were carried out by the Sabah counterparts in collaboration with the JICA Study Team. The Study Team stressed the points below to the Sabah counterparts for the formulation of the pilot project plans:

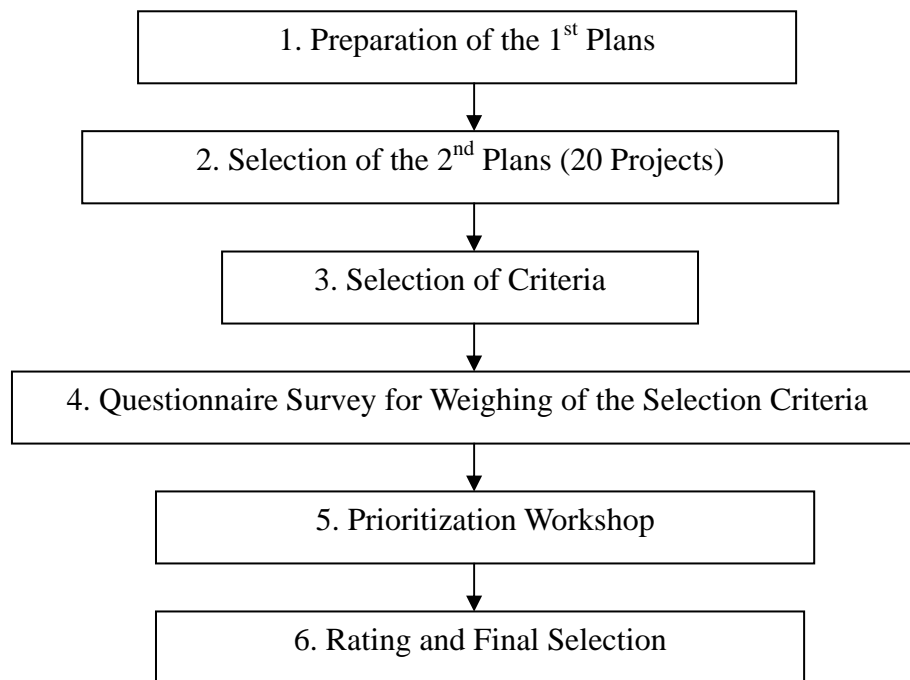
- (1) The pilot project plans prepared need to function as “pilots” to verify the master plan framework.
- (2) Within a period of one year of the verification survey, the pilot project plans are expected to produce some degree of effectiveness and show some lessons to upgrade the master plan framework.
- (3) The pilot project plans should be sustainable and be able to be implemented by the Sabah project staff even after the completion of the verification survey period of the Study.

The first ideas for the possible pilot project plans were formulated and written on the project profile forms. After reviewing the first list of the possible pilot project plans based on the three (3) key issues for selection mentioned above, and the relevance to the Master Plan framework, the second list of 20 possible pilot projects was prepared as shown in Table 7-2.

**Table 7-2 Prioritization Order of Possible Pilot Projects**

Strategy	Prioritization Order and Project Names	ranki ng
Improve awareness of rural women in the isolated areas	Thinking and working with rural women project	2 <sup>nd</sup>
	Project of establishment of a mobile one-stop service for rural entrepreneurs	9 <sup>th</sup>
	Project of house environment improvement by soap making	17 <sup>th</sup>
Improve production skills of rural women entrepreneurs	Project of technology improvement of jam and honey packaging and marketing expansion	3 <sup>rd</sup>
	Project of utilization of unused resources	5 <sup>th</sup>
	Ayam kampung (chicken) rearing project	7 <sup>th</sup>
	Seaweed culture and processing project	10 <sup>th</sup>
	Project of improvement of fish cracker processing center	14 <sup>th</sup>
	Project of OPF (oil palm frond) pellet for cattle feed	20 <sup>th</sup>
Enhance marketing activities of rural women entrepreneurs	Project of improvement and innovation of TAMU function	8 <sup>th</sup>
	Project of promotion of local products under Kudat tourism development and potentials	11 <sup>th</sup>
	Project of establishment of Sabah's original souvenir market	16 <sup>th</sup>
Strengthen supporting programs of related agencies	Project of improvement in participatory approaches in project planning	1 <sup>st</sup>
	Project of effectiveness of the micro-credit scheme for rural women entrepreneurs	4 <sup>th</sup>
	Project of reinforcement of organization network for handicraft promotion	6 <sup>th</sup>
	Project of strengthening of a coordination body for rural women empowerment	12 <sup>th</sup>
	Project of functional networking on gender issues	13 <sup>th</sup>
	Project of improvement of public relations of related agencies	15 <sup>th</sup>
	Project of conference on promoting rural women entrepreneurship	18 <sup>th</sup>
	Project of social campaigning to community stakeholders	19 <sup>th</sup>

These 20 possible pilot project plans were prioritized based on the selection criteria in order to prepare the final list of pilot projects for the verification survey. The steps of formulation of the pilot project plans and prioritization are shown in Figure 7-1.



**Figure 7-1 Steps of Formulation and Prioritization of the Pilot Projects**

The selection criteria for the formulation of the pilot project plans need to be carefully considered. When choosing the criteria, the key words of “effectiveness”, “efficiency”, “impact”, “relevance”, “sustainability”, “local needs” and “priority of the recipient government” are usually used.

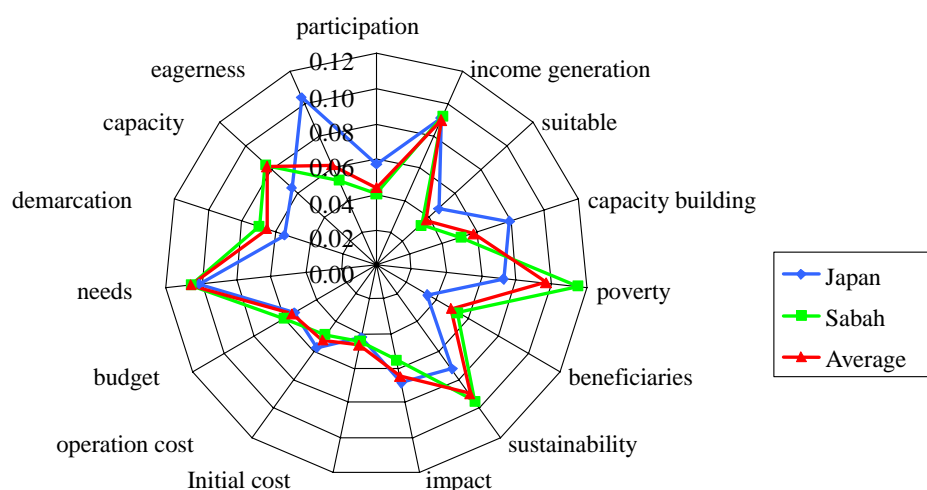
In the case of this Master Plan Study, besides the three key issues mentioned above, the relevance to the upper level development plans including “reactivation of the economic activities” and “women’s empowerment”, the impact of the projects to expand to the other areas and/or to the other sectors, local needs level, feasibility and sustainability of the projects including enthusiasm of the supporting agencies, technical level and financial resources should be considered. The selection criteria used in the prioritization are shown in Table 7-3.



**Table 7-3 Selection Criteria**

Indicator 1	Indicator 2
1. Contribution to encouragement of women's economic activities	1-1 Increased rural women's participation in socio-economic activities 1-2 Improved rural women's income generation 1-3 Suitable to rural women's activities 1-4 Effective for rural women's
2. Outcome of the project	2-1 Poverty reduction 2-2 Number of beneficiaries 2-3 Sustainability of the project 2-4 Ripple effect and synergy effect
3. Feasibility of implementation	3-1 Initial cost 3-2 Operation cost 3-3 State's budget allocation 3-4 Meeting stakeholders' needs
4. Capacity of stakeholders	4-1 Responsibilities of related agencies 4-2 Human resources of related agencies 4-3 Activeness and eagerness of stakeholders

When prioritizing the pilot project plans, it is necessary to consider differences in importance among the selection criteria. In order to incorporate the views of the Sabah counterparts into the prioritization more properly, and to improve the transparency of the project plan preparation, the weighting of the selection criteria was conducted by the Sabah counterparts and the JICA Study Team. The results of the questionnaire survey are shown in Figure 7-2.



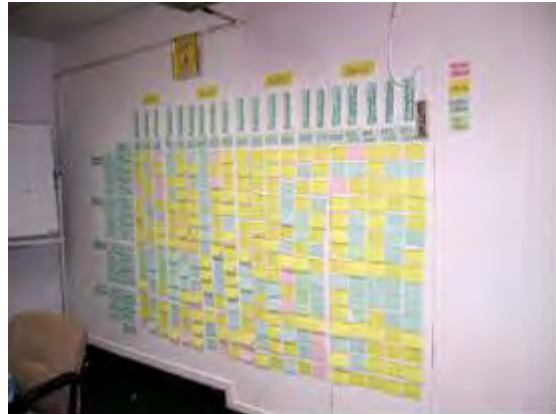
**Figure 7-2 Result of Weighing Questionnaire Survey of Selection Criteria**

The results showed that the Sabah counterparts gave high priority to poverty reduction among the selection criteria, and it had the second highest priority after the needs of the beneficiaries. Based on the results of the questionnaire survey,

prioritization activities of the 20 pilot project plans were presented in the workshop with the Technical Committee. In the workshop, after the marketing of each pilot project plan, the participants rated each plan, and the rating of each plan according to the criteria was determined with the consensus of all of the participants of the workshop.



**Photo 7-1 Planning Workshop**



**Photo 7-2 Workshop Results**

Table 7-3 shows the order of the prioritization among the possible pilot project plans decided by the selection workshop with the Sabah counterpart members.

Considering the available budget of the verification survey and the monitoring and supervision capability of the Sabah counterparts and the JICA Study Team, 10 pilot projects were selected based on the results of the prioritization and the following key issues:

- (1) Balanced distribution of the pilot projects among the development strategies.
- (2) Balanced distribution of the pilot projects among the clusters of rural women.
- (3) Balanced distribution of the pilot projects among the supporting agencies.
- (4) Pilot project plans that are considered risky due to the limited experience of the supporting agencies are given a lower priority.
- (5) Pilot project plans that do not appear to be feasible as rural women's projects due to the expensive initial cost and operation cost are given a lower priority.

According to Table 7-2, three (3) potential pilot projects were proposed from the strategy of improving awareness of rural women in the isolated area and the Study Team selected "Thinking and working with rural women project" and "Project of establishment of a mobile one-stop services for rural entrepreneurs" as shown in Table 7-4.

As far as the second strategy, "improve production skills of rural women entrepreneur" is concerned, the JICA Study Team selected two pilot projects

shown in Table 7-4. Although “the project of technology improvement of jam and honey packaging and marketing expansion” was ranked as the 3<sup>rd</sup> priority and “the Ayam kampung (Chicken) rearing project” as the 7<sup>th</sup> priority, the initial cost of these projects were too high for rural women’s business and furthermore, the technology transfer was felt difficult for the designated taskforce members. “Project for utilization of unused products and resources” and “Seaweed culture and processing project” were selected due to the cost effectiveness and proper duration of vilification survey.

From the third strategy, two of higher prioritized potential projects were selected as shown in Table 7-4.

The JICA Study Team selected four (4) pilot projects according to the rank of privatization from the fourth strategy as shown in Table 7-4. Additionally, as the 11<sup>th</sup> pilot project, “the Project of Improvement of Understanding and Support of the Decision Makers of the Related Agencies” was added because the proper understanding and the active support of the decision makers will be very essential for the effective implementation of the Master Plan.

### 7.3 OUTLINE OF THE PILOT PROJECTS

The 11 pilot projects selected are as follows, which are divided into four (4) groups according to their target groups and objectives (Table 7-4):

The objectives, target groups and responsible agencies of each pilot project are shown in Table 7-5 . The locations of the pilot projects are in Figure 7-5.

In the two (2) pilot projects, **Pilot Projects 1 and 2**, of Strategy 1, the targeted rural women groups who had not begun income generation activities lived in very isolated areas or relatively isolated areas (cluster 6 in Figure 6-2). Most of the rural women in the isolated villages had limited access to information and training on how to identify and discuss problems and potentials in their daily lives and how to address their challenges. They had not started activities to improve their livelihood or to expand their current agro-related activities. Both of the projects tried to enhance the information and training services in the isolated areas.

**Table 7-4 List of Pilot Projects**

<b><u>LIST OF PILOT PROJECTS</u></b>	
<b>Strategy 1: Improve awareness of rural women in the isolated areas</b>	
Pilot Project 1	Thinking and working with rural women project
Pilot Project 2	Project for establishment of a one-stop service center for rural women entrepreneurs
<b>Strategy 2: Improve production skills of rural women entrepreneurs</b>	
Pilot Project 3	Project of utilization of unused products and resources
Pilot Project 4	Seaweed culture and processing project
<b>Strategy 3: Enhance marketing activities of rural women entrepreneurs</b>	
Pilot Project 5	Project of improvement and innovation of TAMU function
Pilot Project 6	Project of promotion of local products under Kudat tourism development
<b>Strategy 4: Strengthen supporting programs of related agencies</b>	
Pilot Project 7	Project of improvement in participatory approaches in project planning
Pilot Project 8	Project of strengthening of a coordination body for empowerment of rural women
Pilot Project 9	Project of reinforcement of organization network for handicraft promotion
Pilot Project 10	Project of improvement of the effectiveness of the micro-credit services for rural women entrepreneurs
Pilot Project 11	Project of improvement of policy makers' understanding and support

Through on-the-job training and seminars, both of the projects aimed to develop their facilitating and coordinating skills for encouraging rural women's group activities and for leading them to become "rural women who think positively and take action on their own initiative" to improve their own activities and livelihood. Pilot Project 1 targets extension workers working with rural women, while Pilot Project 2 tried to make JKKKs play a role of "one-stop service center" in the community and ensure JKKKs' effective support for rural women.

Strategy 2 included two (2) pilot projects, **Pilot Projects 3 and 4**, which were designed to improve rural women's basic production skills and to strengthen their group activities to utilize their potentials. The target areas of these two projects were the villages located relatively far from the market (cluster 4, 5, 6). The target groups here had already been involved in some income generating activities, as individual or family business. However, their activities were not well organized or not even recognized as economic activities. They had limited opportunities to improve their skills.

The purpose of Pilot Project 3 was to create a model project 1) to disseminate the ideas of making full use of local resources including agricultural products, unused resources and traditional skills to expand their current agro-related activities and 2) to promote group activities. Pilot Project 4 aims to 1) increase rural women's access to basic skills training in production and accounting and 2) promote group activities. Eventually, both of the projects made efforts to foster "rural women who think positively and take action on their own initiative."

**Pilot Projects 5 and 6** of Strategy 3 covered the rural women's groups that had already started their agro-related business such as making traditional local cakes, handicrafts, honey etc. and had been looking for opportunities to expand their business (cluster 2, 3). Both of the projects aimed to provide rural women entrepreneurs with opportunities to increase their capabilities to think together in a group or in a community, about how to improve and diversify their current skills and products and how to expand their market. In the projects, possibilities of utilizing public services, facilities and programs were examined.

Pilot Project 5 focused on the traditional public market, KPD TAMU in Kota Kinabalu, as a base of rural women entrepreneurs, while Pilot Project 6 was an attempt at agro-tourism promotion as a response to the state government's tourism development policy in Kudat District. Through the project activities, the target groups were expected to improve their capabilities to think and plan by themselves and work in a coordinated group to improve their business and living environment.

The agencies that were involved in programs supporting rural women and rural women entrepreneurs in Sabah are the target groups of Group 4. Group 4 includes 5 pilot projects: **Pilot Projects 7, 8, 9, 10, and 11**. To ensure the effective and sustainable implementation of the Master Plan in the future, their institutional strengthening and human resources development were essential. Pilot Project 7 was designed to improve their training system in extension services working with rural women; Pilot Project 8 was to clarify each agency's responsibilities and to improve networking and coordinating among related agencies; Pilot Project 9 was to create and improve a collaborative environment among handicraft-related agencies; and Pilot Project 10 was to enhance YUM's management and micro-finance services.

Additionally, Pilot Project 11 is designed to improve understanding and support of the policy makers of the related agencies for the future smooth implementation of the Master Plan.

#### **7.4 PILOT PROJECTS AND MASTER PLAN FRAMEWORK**

The Master Plan framework proposed the following five development strategies to attain its development goal “to increase rural women’s income and household income through improving their agro-related activities and enhancing rural women entrepreneurs”.

- (1) development strategy 1: to educate rural women in group activities and leadership as well as to educate community members in supporting their activities.
- (2) development strategy 2: to improve rural women’s skills and technologies for agro-related production, processing, packaging, storage, selling, business planning and management, financial management and so on.
- (3) development strategy 3: to develop and expand distribution channels and markets for rural women’s products and to improve their marketing capabilities.
- (4) development strategy 4: to promote capacity building and institutional strengthening of the government agencies supporting their agro-related activities.

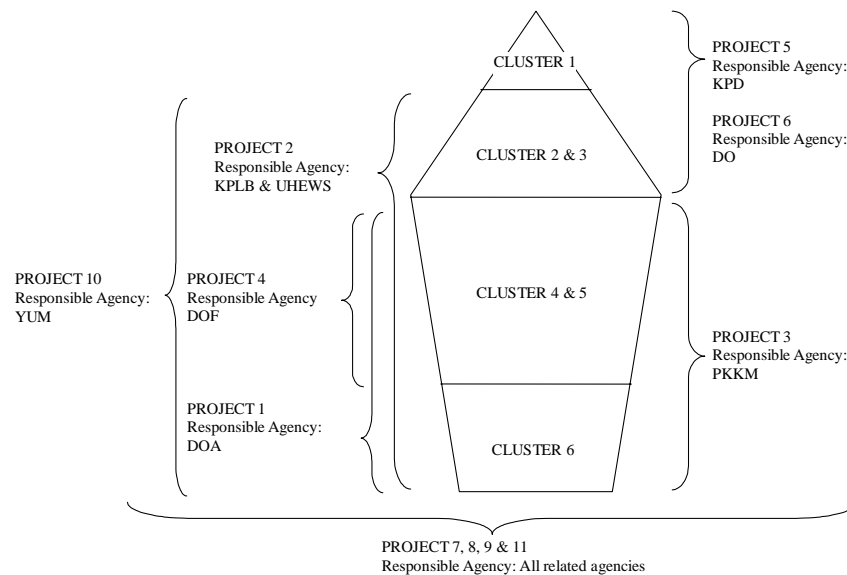
The Master Plan framework also proposed to classify the rural women in Sabah into the following six (6) clusters in the context of their agro-related activities:

- Cluster 1: rural women entrepreneurs who have better access to markets and information and are already operating self-sustainable agro-related business.
- Cluster 2: rural women entrepreneurs who have better access to markets and information, but still have problems and can not grow their business.
- Cluster 3: rural women entrepreneurs who have relatively difficult access to the markets and information and still have problems in growing their business.
- Cluster 4: rural women who have better access to the markets and information and have some ideas or plans of starting business but have not started yet.
- Cluster 5: rural women who have relatively difficult access to the markets and information and have some ideas or plans of starting business but

have not started yet.

Cluster 6: rural women who have very poor access to the markets and information and have limited knowledge and information on their lifestyle options and income generation activities.

Main target groups (clusters) of each pilot project were summarized in Figure 7-3.



**Figure 7-3 Focused Clusters of Each Pilot Project**

## 7.5 OPERATION AND MONITORING

Under the sector taskforce teams, which were formulated during the first and second visits of the JICA Study Team for information gathering and preparation of the Master Plan framework, a pilot project taskforce team was established for each pilot project. The pilot project taskforce teams consisted of staff members of the related agencies, who were the sector taskforce team members at the same time. The pilot project taskforce teams prepared detailed plans and implemented and monitored each pilot project.

Among the sector taskforce teams, the gender taskforce team supervised Pilot Project 1 (gender awareness), Pilot Project 2 (one-stop service) and Pilot Project 7 (extension training). The handicraft taskforce team covered Pilot Project 3 (unused resources) and Pilot Project 9 (handicraft network); the food processing taskforce team covered Pilot Project 4 (seaweed culture); and the marketing taskforce team was responsible for Pilot Project 5 (KPD Tamu) and Pilot Project 6 (Kudat tourism). The institution and financial taskforce team led Pilot Project 8 (coordination), Pilot Project 10 (YUM management) and Pilot Project 11 (policy

makers). The operation and monitoring structure of the pilot projects are shown in Figure 7-4.



**Table 7-5 Outline of the Pilot Projects (February 2003) (1/3)**

No.	Group	Project Title	Objectives	Target Areas/Groups	Leading Agency	Related Agencies
1	Awareness of rural women	Thinking and working with rural women project	<p>To improve the extension services and approaches of working with rural women in the isolated villages</p> <p>To improve rural women's awareness of their roles, potentials and possibilities of working in a group</p> <p>To improve rural women's awareness in promoting homestay and environment conservation programs and collaboration with NGOs in isolated villages</p>	<p>Extension personnel in Pitas District</p> <p>Women groups of 4 villages in Pitas District (Kampung Pandan Mandamai, Pandan, Mandamai and Lugu)</p> <p>Community members of 4 villages in Bundu-Apin Apin Area in Tambunan and Kenningau</p>	DOA	KPD, KPLB, YUM, JHEWA, Min. of Tourism
2	Awareness of rural women	Project of establishment of a one-stop service center for rural women entrepreneurs	<p>To improve rural women's accessibility to the public supporting programs</p> <p>To improve understanding and cooperation of community leaders</p>	<p>JKKKs and female leaders of Pandan Mandamai, Pandan, Mandamai and Lugu villages and Mukim leader</p>	JHEWA	KPLB, KPD, DOA, YUM
3	Production	Project of utilization of unused products and resources	<p>To disseminate the ideas of approaches of producing agro-related products using unused products and resources</p> <p>To improve rural women's awareness of their roles, potentials and possibilities of working in a group</p>	<p>Extension personnel in Kudat Division</p> <p>Women groups of 3 villages in Kota Marudu and Pitas Districts (Kampung Minyak, Trankapas, Kalipuon Lau and Darah, and 4 Kampung from Pandan Mandamai area)</p>	PKKM	YUM, KPD, DOA, KPLB, KEMAS, YS, IDS

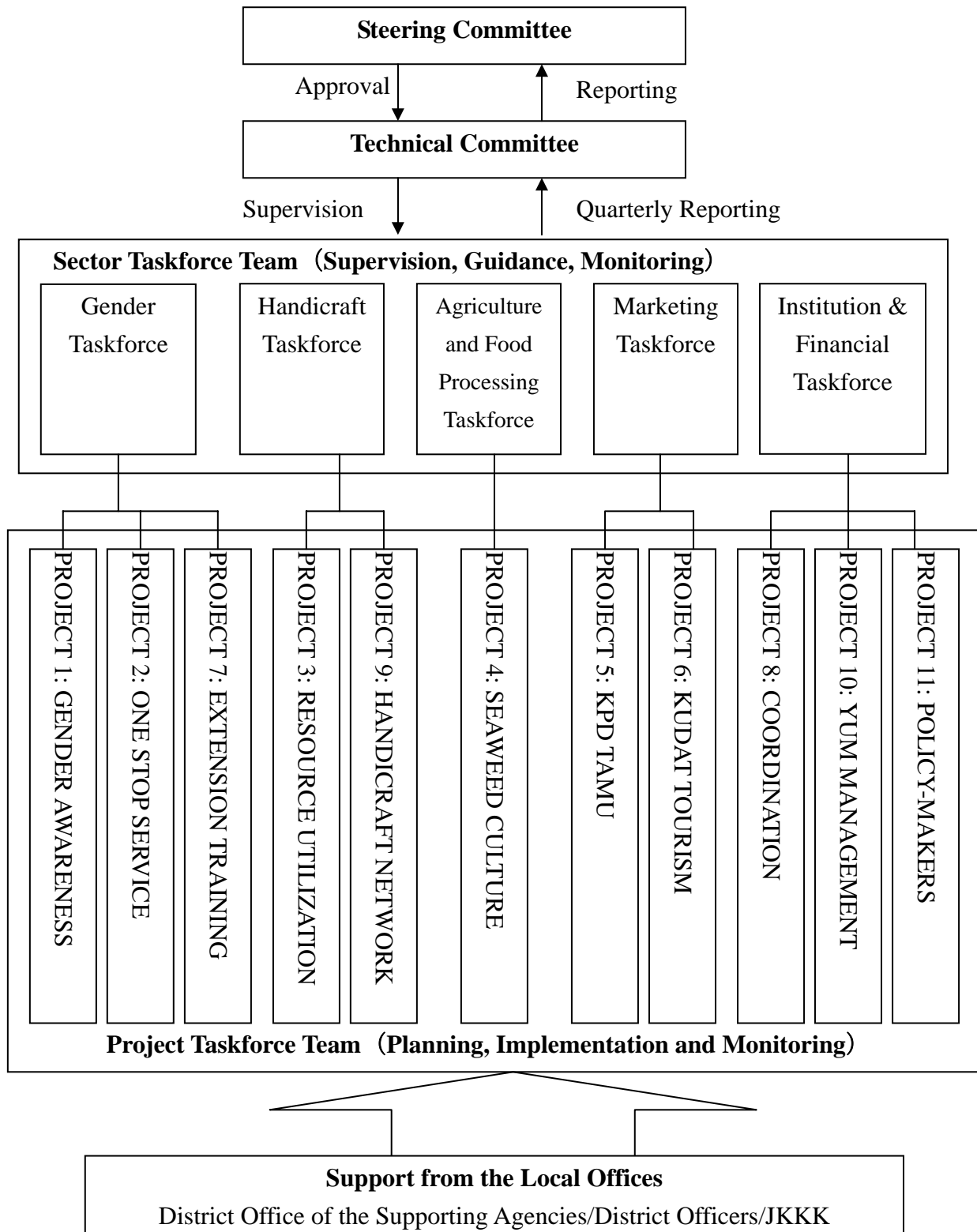
**Table 7-5 Outline of the Pilot Projects (February 2003) (2/3)**

No.	Group	Project Title	Objectives	Target Areas/Groups	Leading Agency	Related Agencies
4	Production	Seaweed culture and processing project	To improve seaweed production, processing, project management and marketing skills of rural women in the fishery villages To improve group activities and women's awareness	Women groups of 2 villages in the Bum-Bum Island in Semporna District (Kampung Lok Butun and Gelam-Gelam)	DOF	KPD, KPLB, FAMA, MARDI
5	Marketing	Project of improvement and innovation of Tamu function	To improve the role and functions of KPD Tamu as an information, demonstration and training center for rural women entrepreneurs	KPD TAMU in Kota Kinabalu Marketing personnel of the related agencies Rural Women Entrepreneurs	KPD	DOA, DOVSAL, KPLB, PKK, FAMA, MARDI
6	Marketing	Project of promotion of local products under Kudat tourism development	To expand marketing possibilities for local products through improving collaborative activities among the communities and through enhancing agro-tourism and/or home-stay programs	Marketing personnel of the related agencies Villager groups of 4 villages in Matunggong Sub-District, Kudat District (Kampung Tinangol, Bavanggazo, Sumangkap, Gombizau)	DO of Kudat	PKKM, KPD, DOA, YUM, KPLB, STB, YS, KEMAS
7	Related agencies	Project of improvement in participatory approaches in project planning	To introduce participatory and gender/social analysis and participatory development approaches in extension services	Concerned personnel of the related agencies Extension personnel in Kudat Division (Loan supervisors of YUM)	DOA	JHEWA, KPD, YUM, KPLB

**Table 7-5 Outline of the Pilot Projects (February 2003) (3/3)**

No.	Group	Project Title	Objectives	Target Areas/Groups	Leading Agency	Related Agencies
8	Related agencies	Project of strengthening of a coordination body for rural women empowerment	To improve coordination of the core structure for promoting rural women's empowerment in the State of Sabah	All related agencies of the Technical Committee of the Study	KPD DOA	YUM, DOF, KPLB etc.
9	Related agencies	Project of reinforcement of the organization network for handicraft promotion	To promote coordination among handicraft related agencies To promote the products produced by the pilot projects by establishing "Sabah bland" and to enhance selling of handicrafts in Tamus	All handicraft related agencies	PKKM	KPD, DOA, YUM, YS, KPLB, KEMAS, STB
10	Related agencies	Project of effectiveness of the micro-credit services for rural women entrepreneurs	To improve the management and services of the existing micro-finance system for rural women	Staff members of the headquarters and 6 branches of YUM (Kota Kinabalu, Kota Marudu, Sandakan etc.)	YUM	KPLB/DOs
11	Related agencies	Project of improvement of understanding and support of the policy-makers	To improve understanding and support to the master plan implementation among the policy-makers	Policy-makers of the Study related agencies	MAFI	KPD, DOA, YUM, DOF, JHEWA, KPLB etc.





**Figure 7-5 Operation and Monitoring Structure of the Pilot Projects**

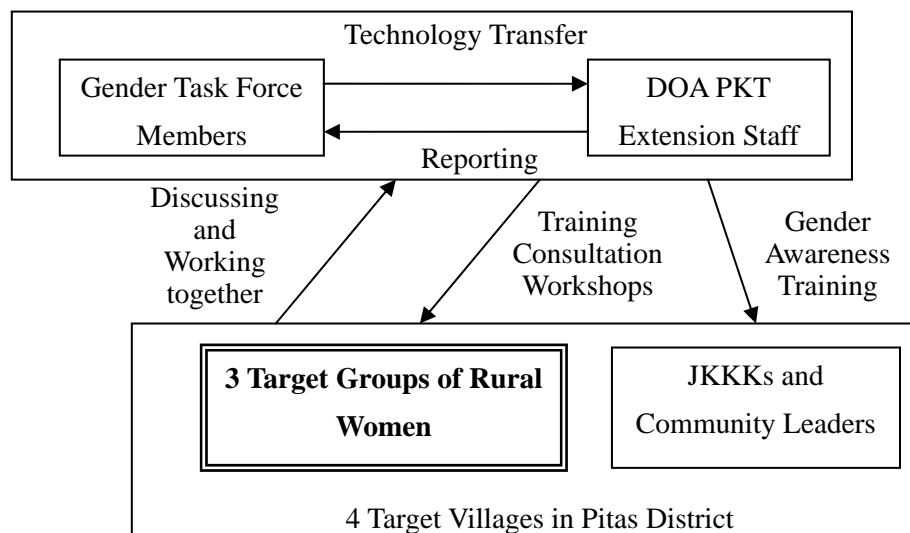
## CHAPTER 8: PROCESS AND ACHIEVEMENT OF THE PILOT PROJECTS

The outline and major activities of the pilot projects are summarized below. More detailed descriptions about the pilot projects are provided in the wrap-up report of the pilot projects prepared by the leaders of the task force teams in Appendix-2. The comments of the target groups of the pilot projects are also shown in Appendix-3 “Women’s Voice.”

### 8.1 PILOT PROJECT 1: PROJECT OF THINKING AND WORKING WITH RURAL WOMEN

#### 8.1.1 OUTLINE

The project aimed to find out the optimum way to support rural women in the isolated areas; to improve their awareness and to change their attitude and way of thinking from “passive” to “positive” through conducting the series of workshops and their own planned micro-scale projects. It also aimed at enhancing extension workers’ skills and approaches for facilitating and working with rural women. The relationship among the key persons of the pilot project can be summarized as in Figure 8-1.



**Figure 8-1 Actors and Their Relationship in The Pilot Project 1**

The target included the four (4) villages; namely Kampung Pandan Mandamai, Mandamai, Pandan and Lugu in Pitas Districts, which has the highest poverty rate in Sabah. These four villages are located on the hill and nearby a palm oil

plantation in Pitas District. It takes 1.5 hours drive from the Pitas Town and four (4) hours by boat when not accessible by car during the rainy season. The ethnic group is Kimaragang and Tombuno. The populations of the three (3) villages are shown in Table 8-1.

**Table 8-1 Population of the Target Areas**

Village Name	Population
Kampung Pandan Mandamai	198
Kampung Mandamai	186
Kampung Pandan	170

(Data Source: KPLB)

Their main economic activity is agriculture; namely banana plantation, coconut, groundnuts, potato and others. DOA has conducted the groundnut farming project in the area. These villages have limited access to the market. However, they are situated in surroundings with abundant natural resources and materials.

### 8.1.2 ACTIVITIES AND ACHIEVEMENTS

**Social Preparation:** Five (5) workshops were conducted with the target groups during the first five (5) months from October 2002 to February 2003. The workshops aimed at i) project kick-off and mutual understanding; ii) discussion on weak points and strong points; iii) preparation of resource maps; iv) rural women's awareness improvement on their lives and roles as a human-beings and as a women in their families and communities; and v) learning from Japanese extension workers and a mid-term evaluation. The workshops were planned and facilitated by the project taskforce team members. The extension workers, responsible for the villages, joined the workshop activities.

The target groups had seldom worked with outside experts before. They had never discussed or been required to discuss their problems and countermeasures individually or in a group. A male DOA extension worker, responsible for transferring agriculture production skills to the farmers, lived in Kampung Mandamai, while a female DOA extension worker, responsible for PKT promotion, visited the village once in three months. In the very beginning, they were very much reserved and it took time for the taskforce members to make them understand our intension and open their hearts. After repeating several visits and

workshops, the target members gradually started to talk in a friendly manner about their families, own lives, living condition and what they want to do.

**Group Strengthening and Small Scale Projects:** During the months of March to October, 2003, seven (7) workshops and consultations were conducted. The workshops were about i) group formation and group strengthening i.e setting rules and regulations; ii) leadership in the group; and iii) planning for small-scale projects (SSP). The meeting with DOA extension workers was about setting monitoring systems for small-scale projects of the rural women groups.



**Photo 8-1 SWOT Analysis**



**Photo 8-2 Extension Staff Facilitation**

In the beginning, it was difficult for the target groups to understand and prepare project proposals. Basically, they know what they want, but had difficulties in prioritizing their needs. They had never before made project proposals or been trained. Some of the women have experience in working in a group but had never been involved in setting rules and regulations. Planning for micro-scale project proposals, each groups prepared the following project proposals:

- |                             |                            |
|-----------------------------|----------------------------|
| 1) Kampung Mandamai group:  | Rice Mill and Paper Making |
| 2) Kampung Pandan Mandamai: | Food Processing            |
| 3) Kampung Pandan and Lugu: | Sewing and Paper Making    |

Three groups spent some amount such as RM 200 from the budget of the Small Scale Project to create a common working place for the group by renovating or expanding the existing structure. These activities were helped by their husbands. The group of Kampung Pandan Mandamai sold their local cake products in the community and gained RM 100 in September 2003. This was their first cash income they produced by themselves, which would help a lot in their household and could fire their aspirations. The group of Kampung Pandan and Lugu produced clothes and other domestically necessary items using their sewing skills after attended the DOA sewing classes. They prepared their uniform for



themselves when attending the PUANDESA projects. The group of Kampung Mandamai completed the extension of the existing structure to locate the rice mill machine, which cost more than they planned. The group members contributed RM40 each to the Small Scale Project budget to fulfill the budget to buy the rice mill machine. The Study provided them the Sign Board for their new working place.



**Photo 8-3 Representative of the Target Group Explaining their Vision**



**Photo 8-4 Sign Board for the Small Scale Project**

The extension workers of DOA were seen participating more actively especially after the meeting in their office. They asked more questions and for clarifications. Gradually, responsibilities to visit and meet with the rural women were shifted to the extension workers. Gender Task Force team monitors and consults with them in the field while formal training was given under the pilot project No. 7.



**Photo 8-5 Role Play Presentation at Evaluation Conference**



**Photo 8-6 Participatory Evaluation**

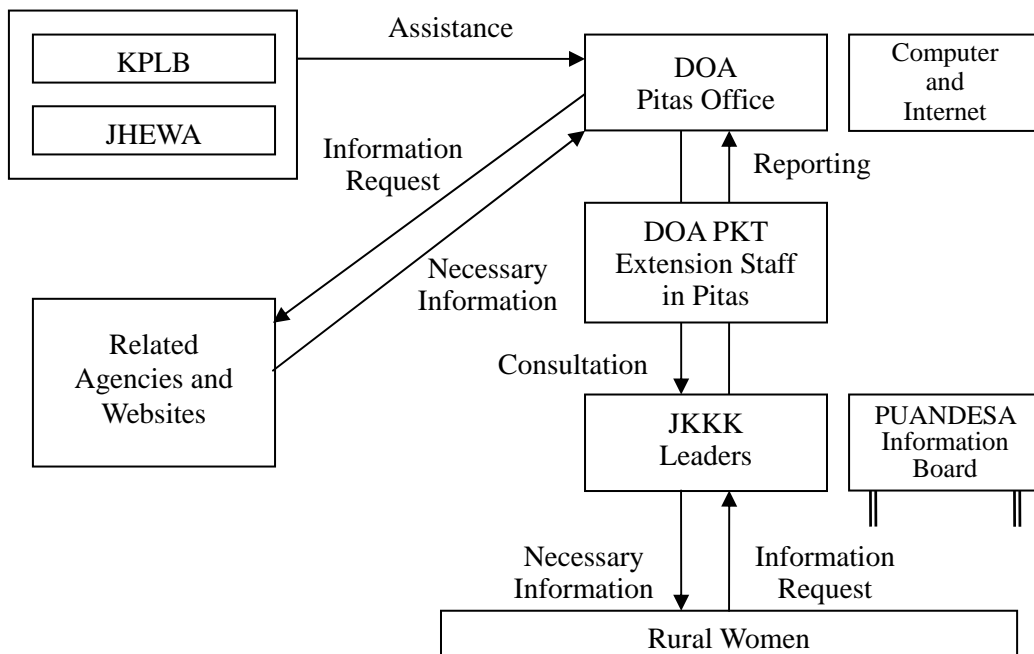
During the month of October, 2003, a two-day Evaluation Conference was held in Kota Kinabalu where a big number of rural women were invited and shared their experiences. Every Pilot Project was requested to present lessons and findings of

their projects. Five (5) representatives from each target group of Pilot Project 1 were taking parts. They shared their lessons and findings through a well-depicted “role-play”. Their actions demonstrated their improvement in self-development and clearly showed what the Project had done for them.

## 8.2 PILOT PROJECT 2: PROJECT OF ESTABLISHMENT OF A ONE-STOP SERVICE FOR RURAL WOMEN ENTREPRENEURS

### 8.2.1 OUTLINE

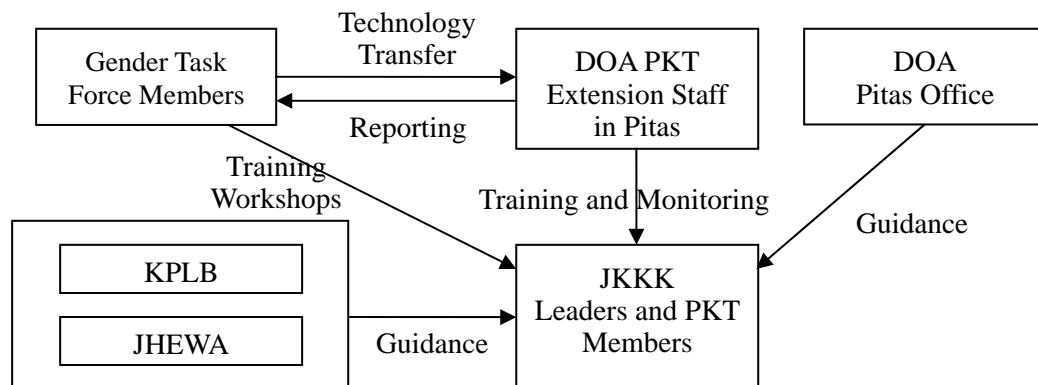
The purpose of Pilot Project 2 was to improve rural women’s access to basic information, skills and public supporting services. Originally, the pilot project 2 had planned to establish a model for a mobile one-stop service center in the village to improve accessibility for rural women. After several discussions by team members inside of the taskforce and with KPLB training staff members, they came to the conclusion that it would be better to utilize JKKK members rather than to introduce a new mobile system considering the sustainability of the project. The JKKKs have to collaborate well with the DOA extension workers to provide effective supports for the rural women. Figure 8-2 shows the concept of the One-Stop Service Center proposed by the pilot project 2.



**Figure 8-2 Concept of the One-Stop Service Center of the Pilot Project 2**

Due to the fact that the Kudat and Pitas areas have a high poverty rate, particularly amongst the ethnic community whose life style evolves around the simplest

principles and is untouched by the sophistication of town families. The JICA Study Team had decided to select Pandan Mandamai and Kalipuon in Pitas as the pilot sites for the One-Stop Service Centers. The study includes six (6) villages namely Kampung Pandan, Kampung Mandamai, Kampung Lugu, Kampung Pandan Mandamai, Kampung Kalipuon Darat, and Kampung Kalipuon Laut. Figure 8-3 summarizes the relationship among the key players in the pilot project 2.



**Figure 8-3 Actors and their Relationship in the Pilot Project 2**

## 8.2.2 ACTIVITIES AND ACHIEVEMENT

**Awareness Training:** During the JKKK training conducted by KPLB at Kota Marudu in March 2003, the pilot project 2 carried out the awareness workshop to introduce the PUANDESA Study and explain the objective and their expected roles in the One-Stop Service Center to the JKKK members and the PKT members from the target villages. Their response during the workshop was positive and the concept of the One-Stop Service Center was agreed to by them. The direct target group of the pilot project decided that the Chairmen of each JKKK, PKT members and DOA extension officers would be the most effective leaders to be trained as the One-Stop Service facilitators.

**Establishment of the Information Center at the DOA District Office:** The One-Stop Service Center was provided with a computer and printer that was installed at the most strategic office in the target area to consider the future dissemination of the concept; namely the DOA district office. It could be managed and maintained by the DOA branch officers and be accessed by the facilitators; namely the DOA extension officers, the JKKK members and the PKT members. Through establishing the One-Stop Service information center at the Pitas DOA district office, the facilitators, DOA extension staff, are expected to

gather and disseminate any related information on entrepreneurial programs and activities that could be useful for the rural women as well as the community. The Pitas DOA office has already been equipped with a computer and internet service for their extension activities and the office has the personnel who have the skills and know-how how to use and communicate through the internet. However, the DOA extension officers to be trained in the computer course, which has not been conducted yet, to ensure their capacity.

**Information Board in the Village:** A special training session was conducted on 19 and 20 June 2003 to help the target JKKKs and PKT members in establishing a One-Stop Service center in the village with the Information Board installed nearby the JKKK's office. The Information Board would provide the basic technical and business information and the government program information for the rural women. After the training, the JKKKs prepared a quotation for the information board and submitted it to the Task Force team. One (1) Information Board was to cost about RM 500. The information boards are being constructed by the community members and are not yet finished, due to the miscommunication between the Task Force team and the target groups in Pitas.



**Photo 8-7 Meeting with JKKKs**



**Photo 8-8 Participatory Evaluation with JKKK**

**Special Meeting with the District Agriculture Office Pitas:** As an effort to get the related agencies to be well informed of the One-Stop Service Center activities, especially the activities that involve their personnel, a special meeting was held in Pitas to discuss issues and progress of activities. The main objective of the meeting was to get full support and commitment of the related agency. It was noted that the Assistant Agriculture Officer (who represented the District AO) showed keen interest and expressed appreciation. As far as the district office is

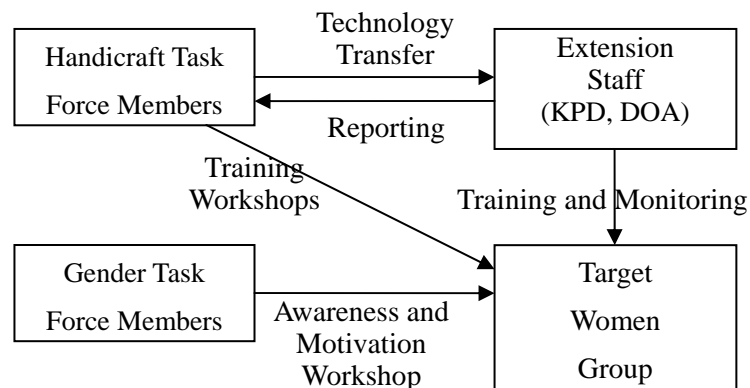
concerned, they have no objection to the whole affair and would give full cooperation and support.

### 8.3 PILOT PROJECT 3: PROJECT OF UTILIZATION OF UNUSED PRODUCTS AND RESOURCES

#### 8.3.1 OUTLINE

The pilot project 3 aimed to train the concerned personnel of the related agencies and extension workers in understanding and disseminating the basic concept of producing daily necessities and handicrafts by utilizing unused resources using traditional skills. Currently these unused resources are being thrown away or burned and not economically utilized for livelihood by the rural communities. This concept is not only for reducing waste materials, but also to make officials of the related agencies, as well as the community members at large, to be aware of the importance of the unused, abundantly available, natural resources.

The target groups of the project are the rural women groups selected from Kampong Minyak in Kudat District, Kampong Tarangkapas, in Kota Marudu District, Kampung Pandan Mandamai and Kampung Kalipuon in the Pitass District. The actors and their relationship in the pilot project 3 are in Figure 8-4.



**Figure 8-4 Actors and their Relationship in the Pilot Project 3**

#### 8.3.2 ACTIVITIES AND ACHIEVEMENT

**Training and Workshops:** Following the first workshop to teach them about their awareness and livelihood, the project conducted a demonstration workshop on how to utilize locally unused resources and products; for example, the project demonstrated how to make paper from buntui and banana; candles from bee's

wax; and extract salt from the nipah palm leaves etc. Based on their locally available resources and their own interests, they selected the paper and candle from various potential products such as soaps, salt and weavings. Therefore, the target groups were given training on paper making and candle making.

The workshop was conducted on a monthly basis for both the paper making groups as well as for the candle making groups. The key issue emphasized through-out the training workshops was to enhance the women's capability and creativity in the project they were involved in, for instance, for the candle making group, the women were encouraged to make use of any available resources at their disposal which include egg shells, fruit skins, sea-shells, coconut shells and bamboo tubes to be used as candle holders, designed so that they should be marketable. Similarly, the paper making target groups were equally motivated to try out all commonly available resources found in their villages and to make paper out of each and/or a combination of plant fibers using mixing ratios as suggested by the Task Force Team.

The pilot project 3 Task Force Group planned to increase its training workshops to include the target women group leaders in addition to the monthly workshop. The Task Force Team decided that a bi-monthly training workshop would be sufficient for each of the four (4) villages involved. Thus, it was programmed to conduct two (2) training workshops for each village every month at the village level for all members; one early in the month and the second one in the fourth week of every month beginning in March 2003.



**Photo 8-9 Paper Making Workshop**



**Photo 8-10 Drawing to Explain the Project Concept**

**Participation in Exhibitions and Events:** The pilot project 3 participated in the PUANDESA exhibition during the five-day Harvest Festival celebration. Its booth was a major attraction due to its strategic location as well as its beautiful

life-sized decorative plants of banana and buntui. The exhibit by Pilot Project 3 on paper production was the beginning of a new era in paper making from unused resources and products, an environmentally friendly commodity. It attracted the attention of FELCRA officers and the Chairman of the Sabah Tourism Board. In fact, during the exhibition, the pilot project 3 received many requests for buntui paper from both corporate bodies, agencies and private individuals, specifically, those with designer backgrounds.

August 2003 was another busy month for the pilot project Task Force. They were invited to participate in the Farmer's Day Celebration held in Papar from 24 to 26<sup>th</sup> August, when PUANDESA not only successfully exhibited, but also started selling its products to the public. Items such as dry seaweed from the pilot project 4, the pilot project 6 handicraft products as well as the pilot project 3 bookmarks, paper bags and candles were sold. The pilot project 3 products were also exhibited at the launching of the home-stay program Kudat region at Kg Minyak. The participants of the pilot project 3 were invited to the Packaging Seminar cum Workshop at YUM Training Center organized by The Malaysian Handicraft Corporation (PKKM).

**Implementation of Small Scale Projects (SSP):** SSP was introduced to the target women's group. But before implementing SSP, the women must strengthen their group activities and each group must select, from among themselves, the leader, sub-leader, secretary, treasurer, purchasing officer and ordinary members. The group formation was supervised by the pilot project 1 Gender Task Force with the pilot project 3 assisting where possible. This exercise was carried out in stages beginning with Kg Pandan Mandamai, followed by Kg Tarangkapas, Kg Minyak and then Kg. Kalipuon.

Except for those who were already involved in the local JKKK or home-stay activities, most participants were not familiar with this system of conducting a project by themselves in a group. Each target group required at least three (3) meetings before it was properly grouped together and each member understood her own responsibility to the group activities. Kg Tarangkapas, Kg Minyak and Kg Kalipuon were still at the formation stage. Kg Pandan Mandamai was in the implementation stage of their SSP and a small amount of funding had been disbursed to the committee treasurer. The SSP begins in June and completed its cycle in October 2003.



**Photo 8-11 Presentation at Harvest Festival**



**Photo 8-12 Target Group's Presentation at Evaluation Conference**

**Public Relations and Evaluation Conference:** Some of the members from pilot project 3 Task Force, together with the pilot project 1 Gender Team, accompanied the RTM TV crew to Kota Marudu and Kampung Minyak to shoot a film documentary on the pilot project 3 activities on paper and candle making.

The pilot project 3 Task Force and the nine women of the target group attended the Evaluation Conference on 7 and 8 October organized by the JICA Study Team. A meaningful meeting of participants who attended the conference were grateful for such an exposure to listen to reports and findings from other pilot projects carried out for the rural women. During the Conference, the representatives of the pilot project 3 target groups showed strong confidence in their activities and conveyed successfully their message about the concept and know-how of utilization of unused resources.



**Photo 8-13 Paper Making Products**



**Photo 8-14 Candle Making Products**



## **8.4 PILOT PROJECT 4: PROJECT OF SEAWEED CULTURE AND PROCESSING**

### **8.4.1 OUTLINE**

DOF plans to develop a model case of seaweed culturing and processing for rural women and apply it to increase income for rural women by spreading it to the other areas. It was recognized that seaweed culture and development of preserved seaweed food is one of the possible activities for rural women, even though their income have not been increased because of the limitation of market channel. The project has two (2) components: culturing and preserved food processing. As a concept of the pilot project, culturing should have higher priority for income generation, while preserved food processing has meaning for value adding. It is expected to promote a seaweed culturing and processing project which is appropriate for poverty alleviation in Sabah.

The objectives, the target areas and the target groups of the project are as follows:

#### **(1) Objectives**

- 1) to develop an appropriate system for teaching skills for seaweed culturing, processing, sales and management for rural women and its extension system.
- 2) to enhance DOF's extension system.
- 3) to improve the business and community management system.

#### **(2) Target Area**

The target areas include Kampung Look Butun and Kampung Gelam-Gelam of the Bum-bum Island, Semporna. Kampung Look Butun and Kampung Gelam-Gelam are the center of seaweed culture in Semporna area and close to main land.

#### **(3) Target Group**

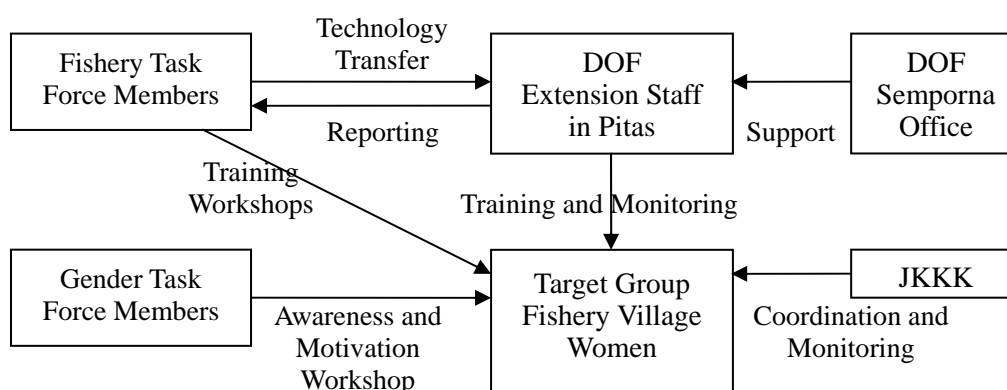
The target group of the pilot project is 20 women of Kampung Look Butun and Kampung Gelam-Gelam of the Bum-bum Island, Semporna. The group consists of two sub-groups with 10 members each, as Team Tekun (meaning "dedicated working") and Team Rajin (meaning "hard working"). The number of group members was decided according to the experience of DOF's previous seaweed culture project targeted to men. The outline of the target group is shown in Table 8-2.

**Table 8-2 Outline of the Target Group Members of the Pilot Project 4**

	<b>Group Member</b>	<b>Family Member (persons)</b>	<b>Family Income (RM/M)</b>	<b>Income Ratio from Seaweed Culture</b>
1	A	4	700	0.80
2	B	6	700	0.90
3	C	5	500	0.80
4	D	9	650	0.80
5	E	11	700	0.80
6	F	3	350	0.80
7	G	9	800	0.80
8	H	6	850	0.75
9	I	3	500	0.90
10	J	8	700	0.80
11	K	4	500	0.80
12	L	11	600	0.80
13	M	5	450	0.80
14	N	8	400	0.80
15	O	7	400	0.90
16	P	6	400	0.80
17	Q	5	450	0.80
18	R	6	400	0.90
19	S	5	400	0.80
20	T	6	750	0.80
	Average	6.35	560.00	0.82

(Data Source: questionnaire survey by the pilot project 4)

Figure 8-5 summarizes the relationship among the key players in the pilot project 4.

**Figure 8-5 Actors and their Relationship in the Pilot Project 4**

## 8.4.2 ACTIVITIES AND ACHIEVEMENTS

**Kick-off Workshop and Preparation:** A kick-off workshop for the target group was held on Oct. 7, 2002 at the DOF office Semporna. The participants are the 22 women, target group candidates, and the JKKK of the Bum-bum Island, the DOF and KPD staff members, including extension workers of Semporna, the taskforce members and the JICA Study Team. The purpose of project, member grouping, project implementation and activities, schedule, etc. were discussed and confirmed.

**Procurement of Equipment:** Based on the quotation survey, the following procurement plan was prepared. The 1<sup>st</sup> purchase order was made in October and delivered in October-November 2002. The 2<sup>nd</sup> purchase order was made in February-March 2003. Additional supply, equipment and facilities were necessary to expand the seaweed culture farm to the full 20 acres.

Equipment of 1<sup>st</sup> procurement was delivered at the site and inspected by DOF Semporna. The group members installed culture farming ropes twice, once in October and once in December 2002, 110 lines in total. Harvest boats (Two (2) units with engines and accessories) and Seeding boats (10 units) were delivered to the site and handed over to the group members. Culture farming ropes for the 2<sup>nd</sup> procurement were installed in March 2003. Accordingly, the full scale of operation was conducted with 220 lines.



**Photo 8-15 Kick-off Workshop**



**Photo 8-16 Procurement of Boats**

**Harvesting:** The trial harvest of 40 lines seeded in October 2002 was conducted in December 2002, and the 2<sup>nd</sup> harvest was in January and February 2003 for the next 40 lines seeded in December 2003. The target production of seaweed from 110 lines was expected to be about 68,750 kg in two (2) months (equivalent to 7,525 kg of dry weed as well as 15,000 kg of seedlings for replanting). If the

expected production of dry weed is realized at 20MT, it will be extremely successful.

- 1) 40 lines planted (4 acres) in Nov 2002.
- 2) Harvested in Dec 2002, 700kg dry seaweed (5000 kg wet), plus 6,000 kg wet seaweed for subsequent planting. Initial seed purchased was 6,000 kg.
- 3) Dec 2002: A total of 110 lines planted (70 new lines), 9000 kg additional seed purchased.
- 4) March 2003: Expected production of 20 mt dry seaweed and sufficient seed for replanting to more than 110 lines.



**Photo 8-17 Production Area**



**Photo 8-18 Post-Harvest**

Early in the month of March 2003, approximately 8MT of dried seaweed was produced at a price range of RM1.80-RM2.00. The total dried seaweed production up to the end of March was more than 30MT. To date a total of 230 lines have been planted and regular harvesting has been carried out. The dried seaweed has been sold regularly 2-3 times per week with approximately 1-2MT per batch. White colored dried seaweed, which is suitable for human consumption, is also being produced in small quantities based on small market demand. The total production and values for each respective month are shown in Figure 8-3.

**Table 8-3 Monthly Total Production and Value**

Month	Quantity (MT)	Value (\$RM)
March 2003	6.72	RM 12,096.00
April 2003	4.32	RM 7,776.00
May 2003	5.22	RM 9,396.00
June 2003	5.63	RM 10,134.00
July 2003	9.70	RM 17,460.00
August 2003	8.75	RM 15,750.00
September 2003	12.51	RM 22,518.00
<b>Total</b>	<b>52.85</b>	<b>RM 95,130.00</b>

(Data Source: questionnaire survey by the pilot project 4)

The production for October 2003 is expected to increase since the disease outbreak is no longer existent and the participant has fully concentrated on planting seaweed.

**Workshop and Meetings:** A workshop was held to emphasize self motivation and awareness among women groups and to practice group discussion as a team in making a future plan and the feasibility of that plan. The task force team consisting of three from DOF, two from the Gender Task Force conducted this workshop. Another short workshop was conducted in the Look Butun community hall on 7 June 2003. This workshop was more on verifying and explaining the importance and roles of each member of the group in materializing their common goal, which is to have a sustainable and dynamic project through their association/corporation. Establishment of the group fund and the main purpose of this fund in the future plan was again explained and emphasized during this workshop. A regular discussion with JKKK, leader and sub-leader of the target group, extension workers and the task force was held to get and share any recent information from members that related to this project, as well as to solve any problems that may arise during the implementation process and updating and planning of the next activities (e.g. Participation in the State Level Harvest Festival in May 2003).

**Preliminary Activity for Processing and Packaging:** Preliminary activities, focused on processing and packaging of seaweed pickles and dried seaweed, were begun in the first week of May 2003. There were six different recipes of seaweed pickles produced and packed in screw cap glass bottles. The objective of these activities was to study the shelf life and organoleptic evaluation for each pickle

for 1-2 week intervals. It was proved that the pickles could be preserved for at least two (2) weeks.

**Harvest Festival and Evaluation Conference:** Five (5) members all together from Semporna were invited and involved during the Harvest Festival. They were the JKKK of Kg. Look Butun, leader and co-leader of the group and two (2) extension workers from the Semporna Fisheries Office. Four (4) different types of seaweed pickles and two (2) types of dried seaweed were displayed and sold during that festival. An Evaluation Conference was held on 7 and 8 October. A total of 10 participants from P4 project and five (5) extension workers were involved during this conference. Three (3) papers were presented from the project 4 comprised of papers from the team leader, extension workers and representatives from the group. In general, a numbers of findings ( e.g., women produce as much as men do), lessons learned (e.g., consensus for distribution of the profit is important) have been brought up and found to be very useful and vital in order to ensure the success and sustainability of this pilot project. One of the important recommendations came out of this conference was that, the livelihood improvement should be carefully considered along with the income generation activities; the environment would be spoiled otherwise. Samples of dried seaweed in 500 gm packs and labeled with the PUAN DESA logo were displayed and sold during that conference.

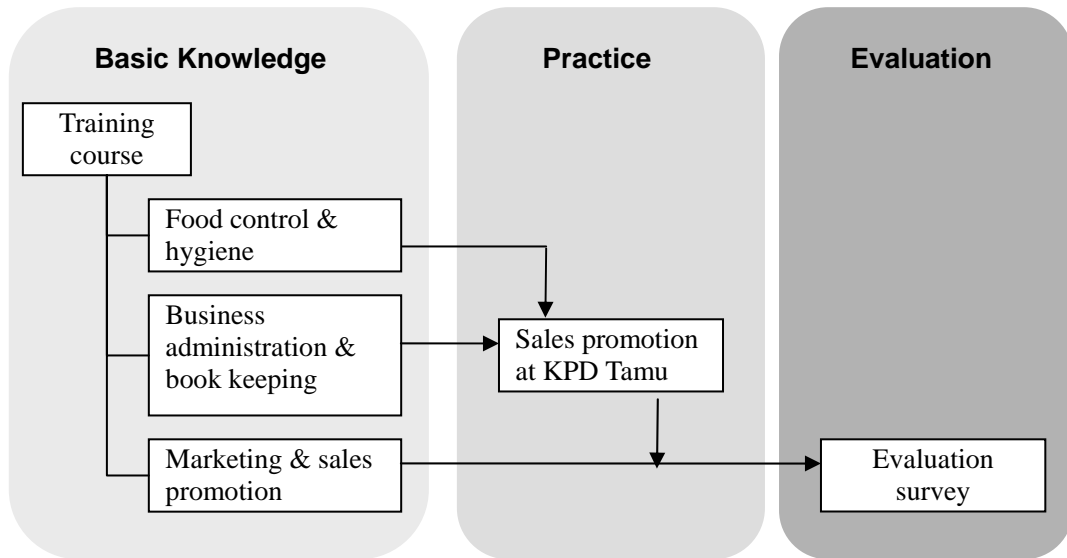
## **8.5 PILOT PROJECT 5: PROJECT OF IMPROVEMENT AND INNOVATION OF KPD TAMU FUNCTION**

### **8.5.1 OUTLINE**

The project aimed to improve the management of KPD Tamu in Kota Kinabalu and to provide it with a new role as a base for the rural women entrepreneurs. As the targets of the project, the taskforce team has focused on improvement of four (4) of the expected functions of the KPD TAMU. They are 1) to provide training for improvement of the products of rural women such as food handling and hygiene; 2) to be a sales promotion facility for rural women's products; 3) to be an information center for local products and rural women activities; and 4) to improve the capacity of KPD staff members in marketing and new product development.

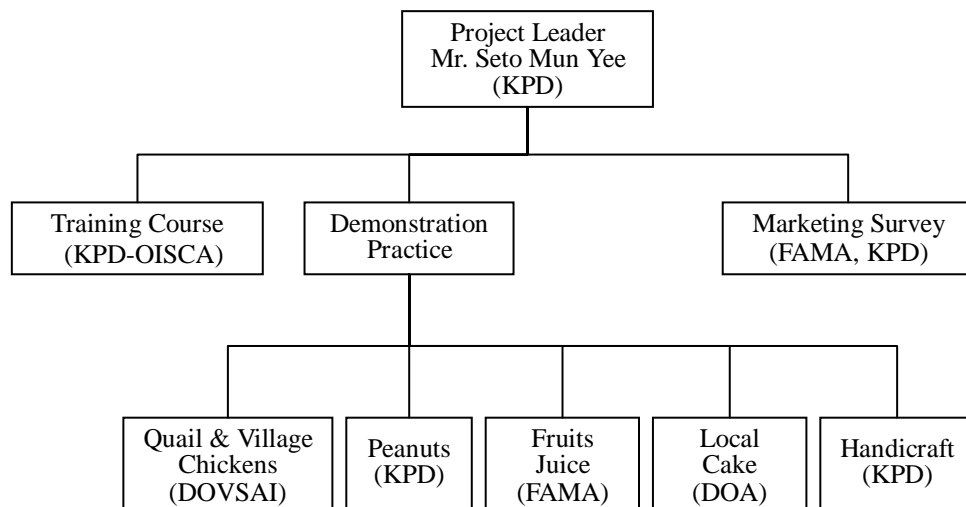
The pilot project 5 provided the awareness and skills training for food handling and hygiene for the target groups, which was expected to improve the quality of

their products and to expand their market. The training provided the basic knowledge for the target groups and the practical training in the market of the KPD Tamu. The components of the training of the project were designed as follows:



**Figure 8-6 Components of the Training of the Pilot Project 5**

The project was implemented by the project taskforce team of the Pilot Project 5, whose activities are supervised and monitored by the Marketing Taskforce Team. KPD was the leading agency of the project. DOA, DAVSAI, YUM and FAMA are the taskforce members. KPD-OISCA were in charge of training on food quality control. The responsibilities of the project are shown in Figure 8-7.



**Figure 8-7 Responsible Agencies of Pilot Project 5**

Figure 8-8 summarizes the relationship among the key players in the pilot project 5.



**Figure 8-8 Actors and their Relationship in the Pilot Project 5**

### 8.5.2 ACTIVITIES AND ACHIVEMENT

**Food Handling Training:** The project conducted a series of hygiene and quality control seminars for the target group members at the KPD/OISCA training center in Tenom. The training was conducted by the experts of OISCA and the Ministry of Health, Sabah. “Basic hygiene and business administration” courses were provided to the target groups that planned to start or expand their business. Main components of the program are 1) food handling; 2) book keeping; and 3) instruction on how to get licenses. Two (2) courses were implemented during three (3) days of 13-15 and 20-22 December 2002. 30 trainees completed the training courses and received the certificate of Pilot Project 5.

**Sales Promotion:** The target groups who completed the hygiene training were allowed to join the sales promotion activities at the KPD Tamu, where the KPD staff members worked with them, demonstrated their improved production skills, distributed their recipes with hygiene considerations, and sold the products in collaboration with the staff members of the related agencies. At the same time, the KPD staff members collected information from the consumers to improve the products.





**Photo 8-19 Food Handling Training**



**Photo 8-20 Demonstration at KPD Tamu**

According to the recommendation of the related agencies, the taskforce team decided to sell the following products through the demonstrations at KPD Tamu.

<u>Commodities</u>	<u>Responsible agency</u>
1) Fruit juices	FAMA
2) Roasted chickens	DOVSAI
3) Local cake	DOA
4) Ground nuts	KPD
5) Handicraft	KPD / Pilot Project No.9

The first sales promotion activity of fruits juice and local cake was conducted by the target group members that had completed the food handling training course on 9 February 2003. They showed their improved ways to prepare local cakes and fresh juice in front of the consumers and distributed the recipes explaining the importance and the way of food handling and hygiene. The sales promotion activities at the KPD Tamu have been ongoing. The participants who were selected through recommendations by the related agencies continue to sell their products, gaining hands on experience on the market situation. This has enabled them to improve themselves based on lessons learned, in areas such as the art of selling, interaction with customers, meeting customer needs, and hygiene.

**Market Survey:** The task force members collected the data about overall impression of KPD TAMU including the performance of rural women's sales promotion. Apart from this, the results of sales by promotion were collected from each activity. The collected data were analyzed and reviewed by the taskforce team. This information is necessary for the improvement of the overall Tamu functions. Feedback was provided to the participants in order for further development. A comprehensive analysis will be prepared after all the individual surveys have been obtained. (Detailed result of the survey is shown in Data Book)



**Photo 8-21 KPD Tamu**



**Photo 8-22 Demonstration at Harvest Festival**

**Harvest Festival:** The PUANDESA participants were invited to join in the five-day Harvest Festival Carnival held in Penampang. This gave them the opportunity to promote and sell their products in different types of settings. At the same time, they were able to learn about the behavior of the market. The Harvest Festival was held in May, 2003. All the participants came from KPD, DOA, FAMA, and DOVSAI joined the festival from 25th to 31<sup>st</sup> 2003. The participants gained a lot of experience in marketing their products and they were able to practice what they have learned during their training in food handling and packaging. They were also able to practice the salesmanship, basic accounting and communication knowledge they have acquired during the training course.

**Training Course of Project Planning:** Through the trainings in the pilot project, it was verified that consultancy services of administration and entrepreneurship were quite effective for rural women. On the other hand, it was recognized that local extension staffs had limited capacity of planning and had a difficulty to communicate local problems and potentials to the headquarters. Therefore, the taskforce team members held the training course of project planning in order to train local middle-class leaders about project planning and marketing.

**KPD Tamu Improvement as PUANDESA Information Center:** The need to improve the current Information Center was discussed. A proposal for improvement, i.e. lighting, painting, and fixing shelves, was put forward by KPD. The objective of the improvement of the overall facility is to attract more consumers to the KPD Tamu. It was suggested that this proposal be a joint effort between KPD and the JICA Study Team.

## 8.6 PILOT PROJECT 6: PROJECT OF PROMOTION OF LOCAL PRODUCTS UNDER KUDAT TOURISM DEVELOPMENT

### 8.6.1 OUTLINE

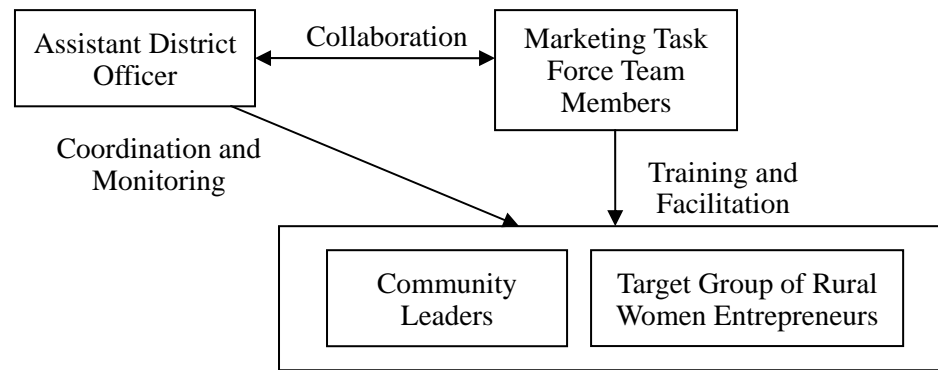
This project was regarded as a trial in agro-tourism. It was expected to be a model case of rural development by introducing combined ideas in agro-tourism and the “one village one industry” concept. The target groups had already started businesses in the villages and have relatively good access to information and the markets, but their opportunities for growth were still limited. The pilot project aimed to create a proper network among four target villages, as well as with the villagers in order to improve a mixed variety of tourist attractions. Table 8-4 shows the results of the baseline survey.

**Table 8-4 Outline of the Target Villages**

	<b>Tinanggal</b>	<b>Bavanggazo</b>	<b>Gombizau</b>	<b>Sumangkap</b>
Population	1,020	107	256	460
Houses	125	33	64	58
Size	5 km <sup>2</sup>	6 acres	4km <sup>2</sup>	15 acres
Race	Rungus	Rungus	Rungus	Rungus
Religion	Christian (95%)	Protestant	Christian (95%)	Christian
Water	Not enough	Enough	Not enough	Enough
Electricity	Exists	Exists	Exists	Does not exist
Telephone	Exists	Exists	Does not exist	Exist
Toilets	Not enough	Not enough	Not enough	Not enough
Potential	Beads handicraft	Longhouse guest house	Honey production	Gong making
Constraints	Lack of co-operation among the villagers High competition High cost of raw materials / shortage of capital Constraint of market due to existence of middlemen Unstable market and unstable income			

(Data Source: SWOT Analysis Workshop)

The key players and their relationship to the pilot project 6 are shown in Figure 8-9.



**Figure 8-9 Actors and their Relationship in the Pilot Project 6**

The project team consists of a “Planning and Implementation Team”, “Promotion Team” and “Monitoring Team”. The main task of the ‘Planning and Implementation Team’ is to work together with the rural villagers. The members consist of officers from the Matunggong sub-district office, KPLB Kudat, KEMAS Kudat, KEMAS Kota Marudu, KPD Kudat, and YUM Kudat.

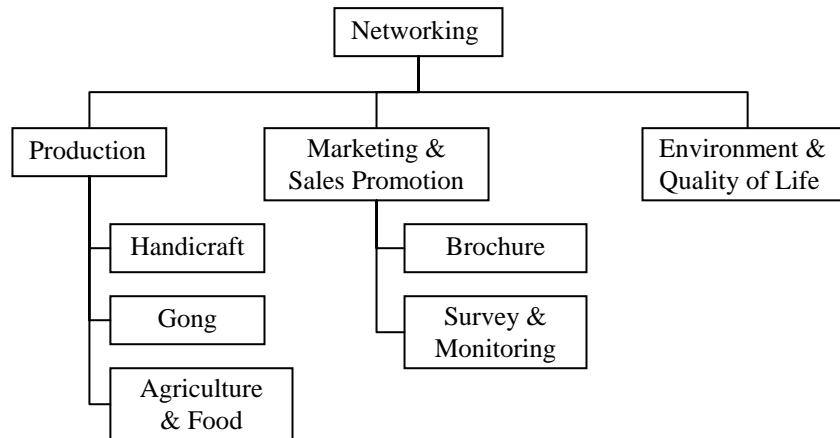
The ‘Promotion team’, consisting of representatives from STB/SPS Kota Kinabalu, KPD Kota Kinabalu and PKKM Kota Kinabalu, conducted market research and provided information to improve the awareness of the villagers and provides access to the tourism business and agencies.

The ‘Monitoring team’ was in charge of supervising and guiding all the activities. Under the project, the taskforce team requested that a sub-committee be formed by the representatives from the four (4) villages. Therefore, in order to cater for the six action plans, which were previously identified, an organizing committee consisting of 24 people was formed. This committee was required to maintain a close relationship with the Implementation Team consisting of government officers.

### 8.6.2 ACTIVITIES AND ACHIEVEMENT

**Tourist Survey:** The Project Team conducted a tourist survey in October 2002. The purpose of the survey was to grasp the current conditions of the tourists. The number of samples obtained was 300. The samples were taken in Kota Kinabalu (airport, jetty, hotels, and shopping malls), Sandakan, Tawau and Semporna.

**Project Action Plan:** The action plans for the project were prepared based on the analysis mentioned above, which is shown in Figure 8-10.



**Figure 8-10 Structure of Action Plans**

#### 1) Networking

The main tasks of the *Network action plan* team (hereinafter called the Network Team) were to help organize the action plan task force teams and set up opportunities to meet with the governmental officers in charge. The team members consisted of the JKKK chairman and women's leader of four (4) villages supervised by the sub-district office).

#### 2) Improvement of Production

Three (3) kinds of action plans were proposed among the villagers: *handicraft action plan*; *gong making action plan*, and, *agriculture related action plan* such as improving honey production and opening a local café (supervised by KPD).

#### 3) Promotion and diversification of the market channel

In order to improve the environment to attract more tourists to Matunggong, *the marketing research action plan*, including planning study tours and conducting surveys was proposed (supervised by KPD and SPS).

#### 4) Environment and quality of life

The strategies and activities of this action plan were discussed.

**Training Course:** The pilot project provided the following three (3) types of training for the target groups: 1) study tour on tourism business; 2) training courses on food handling and hygiene; and 3) training courses on handicraft entrepreneurship (sewing). A study tour to Kinabalu Park was carried out on the 28<sup>th</sup> of January, 2003. The park administration office arranged the study tour program in accordance with the requests made by the Project Team. 32 villagers

who were selected from the four (4) target villages participating in the study tour and reported on what they had learned. They were impressed with the National Park, especially by its cleanliness, and the well organized landscape was introduced into their villages. They also recognized the friendly yet polite attitude and behavior that a tour guide should have and this was also incorporated in the services of their agro-tourism business.



**Photo 8-23 Village Cleaning-up Activities**



**Photo 8-24 Honey Bottles in Gombizau**

Since they planned to serve foods to visitors, the task force team invited them to the food handling and hygiene training courses at the KPD/OISCA training center in January. The training course on handicraft entrepreneurship (sewing) had been carried out from 4<sup>th</sup> to 6<sup>th</sup> of Feb. The general opinions and ideas regarding the local handicraft based on the results of the tourist survey were considered (See Data Book) and several new products were created based on these ideas. The practical sewing course was held in March and the experimental products were sold at the Harvest Festival.



**Photo 8-25 New Products Development with Beads**



**Photo 8-26 Mt. Kinabalu Park Study Tour**

**Trade Marks:** A draft of a promotional brochure was prepared, based on the maps which the villagers drew. Trade marks and logos were prepared and collected from the respective villages.

**Evaluation Conference and Gong Festival:** Taskforce members and villagers attended the Evaluation Conference and made presentations. The presentations were done by the Task Force Team Leader, Sub-Leader and Leader of the Target Group. A song of unification was sung by the representatives of the target group. On 23 and 24 October, the 1<sup>st</sup> Gong Festival was held in Sumangkap to promote their tourism attraction and the four (4) villages of the pilot project 6 exhibited the results of their activities and sold their products. There were more than 500 visitors that enjoyed the event.



**Photo 8-27 Singing a Song of Unification**



**Photo 8-28 Gong Festival in Sumangkap**

## **8.7 PILOT PROJECT 7: PARTICIPATORY METHOD TRAINING ON SOCIAL AND GENDER ANALYSIS**

### **8.7.1 OUTLINE**

Extension staffs are the key persons in enhancing rural women entrepreneurs. The main objective of the pilot project 7 was to improve project planning and monitoring and evaluation activities through training the concerned personnel and the extension workers of the related agencies in participatory development and gender/social consideration approaches.

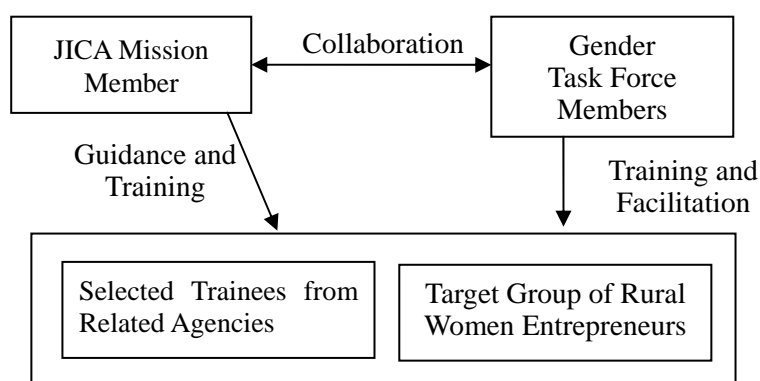
The pilot project 7 aimed to identify appropriate approaches to think and work with rural women and rural women entrepreneurs and to train extension staff members in gender awareness, participatory approaches and facilitating skills.

The target group included 24 extension workers and field assistants of DOA, KPD, YUM, KPLB, KEMAS etc. selected by the related agencies (Table 8-5). The target groups were the extension workers in the Kudat, Kota Marudu and Pitas Districts.

**Table 8-5 No. of Trainees (Target Groups) of the Pilot Project 7 by Agency**

KPD	DOA	DOF	YUM	JHEWA	KPLB	Total
7	7	5	1	2	2	24

The key players and their relationship to pilot project 7 are shown in Figure 8-11.



**Figure 8-11 Actors and their Relationship in the Pilot Project 7**

## 8.7.2 ACTIVITIES AND ACHIEVEMENT

**Preliminary Workshop:** The project taskforce team members had a preliminary workshop with the trainee candidates to understand the current skills and training courses of the extension staff. The taskforce team members found that they had to have a common understanding on gender, participatory approach and facilitating skills. Therefore, they conducted two training workshops: one in January about gender issues awareness and one in February about development, gender issues and development and participatory methods.

**In-house Training and Facilitator Training:** The Gender Task Force Team had conducted activities as shown in Table 8-6. The in-house training was conducted three times to improve the understanding of the necessary concepts, methods and tools and the teaching and facilitating skills of the Gender Task Force Team members.





**Photo 8-29 Preliminary Workshop  
(Introducing Extension Career)**



**Photo 8-30 1<sup>st</sup> Workshop (Discussion  
on “Development”)**

**Table 8-6 Trainings of the Pilot Project 7**

Activities	Date	Place	Remarks
1 <sup>st</sup> Training Workshop for Extension Workers	26 and 25 Feb 2003	KPLB Seminar Room	<ul style="list-style-type: none"> <li>- Enhancing understanding of “development”</li> <li>- Introducing “participatory approach”</li> </ul>
In-house Training for Gender Taskforce Team	17 May 2003	SAWO Training Room	<ul style="list-style-type: none"> <li>- Gender concept in detail</li> <li>- Extension activities in Japan</li> </ul>
2 <sup>nd</sup> Training Workshop for Extension Workers	4-6 June 2003	KPLB Seminar Room	<ul style="list-style-type: none"> <li>- Revision of the 1<sup>st</sup> training</li> <li>- Gender concept in detail</li> <li>- Extension Activities in Japan</li> <li>- Participatory Approach</li> </ul>
In-house Training for Gender Taskforce	1 August 2003	JICA Study Team Office	<ul style="list-style-type: none"> <li>- Discussions for preparation of 3<sup>rd</sup> training of extension workers</li> </ul>
3 <sup>rd</sup> Training Workshop for Extension Workers	5-7 August 2003	KPLB Seminar Room	<ul style="list-style-type: none"> <li>- Revision of Participatory Approaches</li> <li>- Small Group Formation</li> <li>- Small Group Dynamics and Processes</li> <li>- Small Group Facilitation Skills</li> </ul>
4 <sup>th</sup> Training Workshop for Extension Workers	20-22 October 2003	YUM Training Center in Kota Marudu Kg. Pandan Mandamai	<ul style="list-style-type: none"> <li>- Revision of Participatory Method</li> <li>- Participatory Evaluation of Pilot Project 1 and Pilot Project 7</li> <li>- Closing of the Training Program</li> </ul>



**Photo 8-31 4<sup>th</sup> Training (Training in the Project 1 Target Village)**



**Photo 8-32 Certificate of Attendance**

**Study Tour to the TESP-RLI Project in the Philippines:** Seven (7) facilitators and trainees of the pilot project 7, three (3) counterparts from the related agencies, and the Team Leader of the JICA Study Team visited the TEST-RLI Project site in the Philippines, from 20 to 26 September 2003, to exchange information, expertise and experience in rural development projects and to learn facilitating skills. The itinerary of the study tour is shown in Table 8-7.

**Table 8-7 Itinerary of the Study Tour to TESP-RLI Project in the Philippines**

Date	Activities
Sept. 17 (Wed)	Departure from KK Arrival in Manila
18 (Thu)	Meeting with JICA Philippine Office Meeting with ATI:
19 (Fri)	NGO visit in Manila
20 (Sat)	Tour visit in Manila (Strategic Places)
21 (Sun)	Departure from Manila to Bohol
22 (Mon)	Meet the TSEP-RLI staff members - Introduction of the Sabah JICA Study - Understanding the TSEP-RLI Project
23 (Tue)	- Visit pilot villages
24 (Wed)	- Join participatory activities (visioning)
25 (Thu)	Departure from Bohol Arrival in Manila
26 (Fri)	Departure from Manila Arrival in KK



**Photo 8-33 Visioning Workshop in the Philippines**



**Photo 8-34 Focus Group Interview in the Philippines**

## **8.8 PILOT PROJECT 8: PROJECT OF STRENGTHENING OF A COORDINATION BODY FOR RURAL WOMEN EMPOWERMENT**

### **8.8.1 OUTLINE**

The representatives from all of the related agencies, which were the members of the Technical Committee of the Study, were the taskforce team members of the pilot project 8. The purpose of the project was to establish a permanent network of related agencies to promote coordination and collaboration among their activities. Before the Study had started, there was no official platform for the related agencies to have discussions on the matters of supporting rural women entrepreneurs.

The target group for this project comprises all the related agencies. The project will serve as the platform for networking and collaborative action, not only among the state and federal supporting agencies but also including the district and village offices. The taskforce team will establish the public relations system, on top of the monitoring and evaluation system of the pilot projects and the Master Plan.

The roles and responsibilities of the related individuals and agencies are as follows:

- 1) Chairman (KPD) and Co-chairman (DOA).
  - Plan, coordinate and organize the project activities.
- 2) Taskforce team members.
  - Join the monitoring meetings.
  - Conduct the responsible works.
  - Join the project activities to promote public relations of the PUANDESA

Study.

- Disseminate the output of the PUANDESA Study.

3) Secretary.

- Prepare the minutes of meetings.
- Prepare the public relations materials.

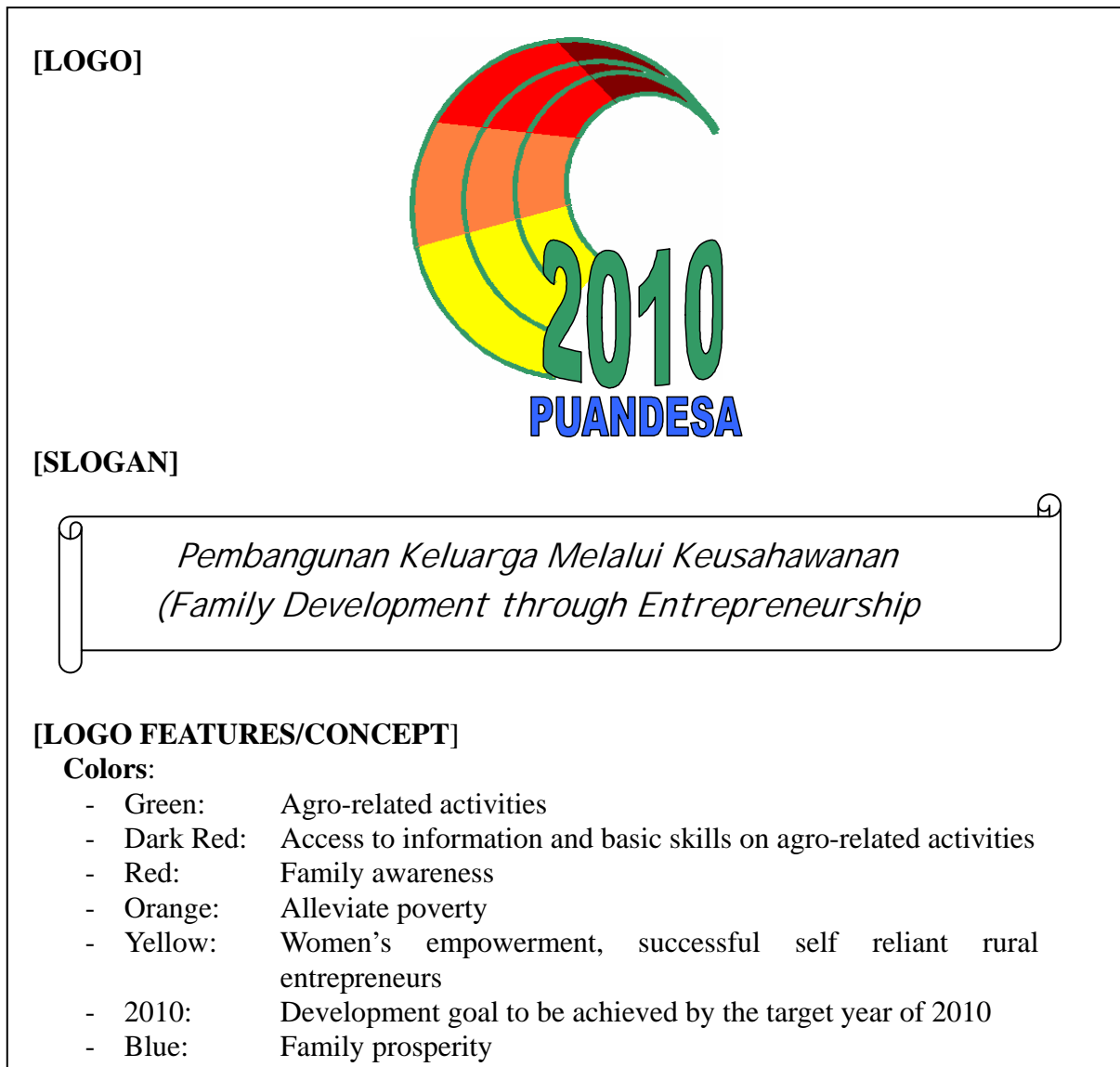
## 8.8.2 ACTIVITIES AND ACHIEVEMENT

**Regular Monitoring Meeting:** The taskforce team members have monthly meetings to monitor the progress of the 11 pilot projects and to exchange information among the projects. During the Pilot Project, they have had twelve (12) meetings. The deputy general manager of KPD chairs the meeting and the deputy director of DOA co-chairs. They are responsible for the public relations activities of the Study.

**Nickname and Logo of the Study:** In the very beginning of the pilot project period, the taskforce members decided that the nickname of the Study would be “PUANDESA”. “PUANDESA” stands for “Pembangunan Usahawan Wanita Desa Sabah”, which means “Rural Women Entrepreneurs Development in Sabah” They joined the Women’s Festival exhibition in September 2002 to introduce the activities of the Study.

**Harvest Festival and Farmers’ Day Celebration:** During the month of May, the Project Team coordinated the preparation and participation of PUANDESA in the State-level *Tadau Kaamatan* celebration (Harvest Festival) which was held 27 – 31 May, 2003. In view of the importance of PUANDESA’s participation in the celebration, special committees were formed consisting of members from all pilot projects to ensure that all aspects of the PUANDESA exhibition were well-organized. The exhibition attracted many visitors including the Head of State, Chief Minister and many other VIPs.

In August, the Project Team coordinated the participation of PUANDESA in the State-level Farmers, Livestock Breeders and Fishermen Day Celebration. Participation from PUANDESA target groups fulfilled the activities and the visitors' impressions were very good. The Chief Minister and the new Minister of Agriculture and Food Industry were impressed with the good exhibition put on by PUANDESA.



**Figure 8-12 Logo and Slogan of the PUANDESA Study**

**Study Tour to Semporna:** On 28 and 29 August 2003, most members of the Project Team went on a study tour to Tawau and Semporna to visit successful women entrepreneurs and the very successful seaweed project of Project 4 at Bum-Bum Island. The Technical Committee and Project 8 meetings were held during the night at Semporna. Workshop among the Project 4 participants was carried out as well to exchange and discuss their opinions towards the project to find out lessons learned from the cases.



**Photo 8-35 PUANDESA Exhibition at Harvest Festival (1)**



**Photo 8-36 PUANDESA Exhibition at Harvest Festival (2)**

**PUANDESA Evaluation Conference:** On 7-8 October, 2003, the Project Team, together with JICA Study Team, organized a very successful and interesting PUANDESA Evaluation Conference in Kota Kinabalu. The Conference was attended by 153 participants, i.e. 96 rural women (PUANDESA target group), 43 government officers and other invited guests.

The conference was officiated by the new Minister of Agriculture and Food Industry. Among the other VIP's who attended the opening ceremony were the Consul General of Japan and the Chairperson of the Sabah Women Advisory Council. During the conference, the effectiveness of the participatory approach and bottom up approach were emphasized by the taskforce members and rural women in order to encourage rural folks to maintain ownership. It was also pointed out that the presentation in front of the audience was effective to assist the participants to have self-reliant businesses.

**Women's Conference:** In October, 2003, some of the pilot project 8 team members, together with the Team Leader attended the State Women's Convention. The JICA Study Team Leader presented a paper related to PUANDESA during the convention.

**Public Relations:** In order to continue promoting the Study to the public and policy makers, the project also publicized PUANDESA activities in the local newspapers twice a month during KPD TAMU. The production of PUANDESA leaflets for distribution to the public has also helped in the promotion.



**Photo 8-37 Opening Ceremony of  
PUANDESA Evaluation Conference**



**Photo 8-38 Monthly Monitoring  
Meeting**

## **8.9 PILOT PROJECT 9: PROJECT OF REINFORCEMENT OF THE ORGANIZATION NETWORK FOR HANDICRAFT PROMOTION**

### **8.9.1 OUTLINE**

Currently, there are nine agencies which are involved in the promotion of production and marketing of handicraft products in Sabah. The demarcation of their responsibilities is not clear. They do not have an official committee or secretariat to discuss their common issues and problems or to coordinate their strategies and activities. , Whenever the rural women entrepreneurs needed some support from the government agencies, they faced a complicated situation because they did not know which agency was the most appropriate one to contact.

Considering the situation mentioned above, the objective of the pilot project 9 was to establish a network among the handicraft related agencies and to provide a platform for them to discuss and clarify their roles and responsibilities, as well as to strengthen their coordinating activities for improving the rural women's accessibility to the supporting programs.

Through this pilot project, the related agencies worked together to promote marketing of the 'Sabah Brand' handicrafts produced by the rural women entrepreneurs.

The project was implemented by the project taskforce team of the pilot project 9, whose activities were supervised and monitored by the Handicraft Taskforce Team. The Malaysian Handicraft Development Corporation (PKKM) was the leading agency of the project, while YUM, KPD, Yayasan Sabah, DOA, KPLB, KEMAS and IDS are members of the taskforce team which oversee the activities

of the P3 project. The target groups of the project were the organizations and agencies involved in the handicraft production and promotion in Sabah.

The roles and responsibility of the related individuals and agencies were as follows;

- 1) Chairman (PKKM) and Co-chairman (YUM).
  - Plan, coordinate and organize the project activities.
- 2) Taskforce team members.
  - Join the monitoring meetings.
  - Conduct the works for which they were responsible .
  - Join the project activities to promote “Sabah Brand.”
  - Monitor the book keeping.
  - Prepare a monthly monitoring report.

## 8.9.2 ACTIVITIES AND ACHIEVEMENTS

**Survey of On-going Projects:** The pilot project 9 aimed to strengthen the networking and coordinating activities among the handicraft-related agencies in Sabah for supporting rural women entrepreneurs. As the first step of the project, the taskforce team members visited the on-going projects and programs conducted by the related agencies, the target groups and their handicraft products and grasped the the current situation of handicraft sector and their problems related to the quality and quantity of the products. They started to strengthen their public relations activities to promote Sabah handicraft through their PKKM homepage, although it is not completed as yet.

**Monitoring and Support of the Pilot Project 3:** They were to monitor the activities and progress of the pilot project 3 and support its activity as well as to seek potential markets for its paper and candle products. The Task Force Team also helped find alternative means of marketing the pilot project 3 products. They would have to make full use of their networking; such as through KPD TAMU and the Harvest Festival occasions. A contest among the handicraft producers trained under Pilot Project 3 is being prepared by Pilot Project 9. The Task Force team members are now working on the production of brochures and posters highlighting Sabah traditional handicraft and skills.





**Photo 8-39 Regular Meeting**



**Photo 8-40 Pricing and Marketing Workshop**

**Handicraft Shop Survey:** The Task Force conducted the mid-term review survey on handicrafts from shop outlets in Kota Kinabalu, the State Museum, Tawau, Semporna and Tawau Airport to understand the current situation of the Sabah-made handicrafts in the handicraft shops in the tourist places. The issue of analysis is still remaining. It was realized by the taskforce members that the time was too short to complete the marketing analysis and the documentation of results during the operation of the pilot project. They rescheduled the marketing survey for the next year.

**Training and Workshops:** The Task Force organized a Product Development seminar in Kudat for the P3 participants on Saturday May 17<sup>th</sup>. This seminar provided an opportunity for the participants to share their experience with as well as to learn from other groups. This seminar gave them exposure to interpersonal relationships and developed their self-confidence. The seminar was attended by four (4) women from Kg Minyak, Two from Kg Kalipuon, two (2) each from KEMAS Kudat office and Kg Tarangkapas, and two local trainers from KPD.

During the seminar, most were encouraged to see quality products from the Kg Tarangkapas participant. Many candle products were shown and words of encouragement and motivation were shared. Pilot Project 3 was expected to participate in the exhibition during the Harvest festival by way of the participants' products of paper and honey candles. In addition to this seminar, the pilot project 9 conducted a pricing and marketing seminar, packaging seminar, paper making seminar, etc. in collaboration with PKKM.

**Harvest Festival:** The Task Force had regular consultations during the month of May to prepare the exhibition materials and other needs, either through PUANDESA Exhibition committee meetings or discussion among the Task Force

members at the JICA office. By the last day of the exhibition, the pilot project 9 came to know that buntui can be processed into attractive paper. Previously, this unused plant was never thought out to be very useful. The Chairman of STB passed through on his visit to the exhibition booths and was briefed on PUANDESA activities by the pilot project 3 Leader.

**TV Filming:** The pilot project 9 Task Force, together with the Gender Task Force, accompanied the RTM Television crew to film the paper and candle making activities on October 1<sup>st</sup> and 2<sup>nd</sup> at Kg Tarangkapas, Kota Marudu and Kg Minyak, Kudat respectively.

**Preparation of the Brochure of the Handicraft Related Agencies:** The Task Force has prepared a brochure to collect information regarding problems and needs of the rural women handicraft producers and to give them guidance on which agency the producers need to contact when they have some problems. The brochure will be completed and distributed in November through JKKKs to the rural women.

**Paper Making Seminar to the PKK M Extension Staff:** The pilot project 9 conducted a paper making seminar to the extension staff members of PKK M in collaboration with PKK M. The instructors of the training were the two ladies of the target group of the pilot project 3. They were invited by PKK M as instructors of this seminar. The two female trainers looked very confident about what they produce and what they teach. About 20 participants were interested in the training contents and enjoyed the seminar.



Photo 8-41 Packaging Workshop



Photo 8-42 Pricing and Workshop

## **8.10 PILOT PROJECT 10: PROJECT OF EFFECTIVENESS OF THE MICRO-FINANCE SCHEME FOR RURAL WOMEN ENTREPRENEURS**

### **8.10.1 OUTLINE**

The project 10 aims at strengthening the effectiveness of micro-credit service by the State Government micro-credit institution, YUM. The project aims to improve the capacity of YUM in management and analysis of its members' data regarding both loan administration and member's individual information. Since YUM branch offices are expected to serve as platforms for the betterment of its micro-credit beneficiaries (members), branch staff members play a vital role in this project.

The project has two (2) target groups, 1)YUM staff for their capacity building on one hand, and 2)YUM members as rural women entrepreneur beneficiaries of micro-credit on the other. Six (6) branches were chosen as model branches, namely, Kota Kinabalu, Keningau, Kota Belud, Kota Marudu, Kudat, and Sandakan. Several members under these branches were chosen as model members. For comparison purposes, three other branches were chosen as a control group, which are Papar, Tuaran, and Tambunan.

The roles and responsibilities of the related individuals and agencies are as follows;

- 1) Taskforce team members (YUM HQ staff members and branch managers).
  - Plan, coordinate and organize the project activities.
  - Plan and facilitate the training courses.
  - Conduct a baseline survey and prepare a report.
  - Conduct an evaluation study and prepare a report.
  - Monitor the project progress.
  - Monitor the book keeping.
  - Prepare a monthly progress report.
- 2) Branch staff members.
  - Join the training courses.
  - Conduct the works for which they were responsible .
  - Operate and manage the newly introduced data system.
- 3) System engineers.
  - Design and develop a data system based on the baseline survey.

- Installation of the system in the target branches.
  - Train the HQ staff and the branch managers and staff members.
  - Updating, maintenance and periodical service of computers.
- 4) Loan supervisors and center chiefs (leaders of member women groups).
- Join the training courses.
  - Conduct the works for which they were responsible.

### 8.10.2 ACTIVITIES AND ACHIEVEMENT

**Baseline Survey:** A baseline survey consisted of problem analysis and questionnaires. The problem analysis was conducted at all the six (6) branch offices and a one-day self-evaluation workshop was held to discuss and summarize the output from the branch offices. The result of the baseline survey is attached in the separated “PUANDESA DATA BOOK”.

**Planning of the Computer System and Staff Training:** Based on the results of the baseline survey, they, along with the specialists, designed an information system and installed the equipment and the system in each of the target branches. Simultaneously, they conducted basic training courses for branch managers and staff members to use the new system. Monitoring of these activities was conducted by the system engineer of the YUM headquarters and the monitoring report was prepared and submitted to the Technical Committee.



**Photo 8-43 Problem Analysis Workshop**



**Photo 8-44 Information System in the YUM Kota Marudu Branch**

**Information System Improvement:** System improvement was done to cater for lost data and members that can no longer be traced. Technical problems at Kota Belud have been rectified by the System Engineer. Kudat branch does not have a telephone line and therefore cannot access the Internet. Application for a telephone line was made. Keningau branch could not access Sabah net due to an ISP problem. This was noted and solved.

The system implementation for Stage II was rescheduled to 1<sup>st</sup> April to 7<sup>th</sup> May 2003. And in line with the management decision, the Sipitang Branch was included for the computerization program. This decision was made due to the existing computer system in the branch and a model branch for the Grameen Trust project.

**Gender Awareness Training for Loan Supervisors:** A proposal was made and agreed to by JICA for additional activities and i) Seminars for YUM Center Chiefs (21 to 22 June 2003), ii) a Workshop on Gender Awareness for Loan Supervisors (Group I – 25 to 26/4/03 & Group II – 28 to 29/4/03 and iii) IT and Computer Training for Branch Managers (August 2003 or earlier). These activities have all since been conducted. System implementation for Stage II (Loan Application System) and related training for all staff in the branches were done according to the various schedules i.e. Kota Kinabalu (1-3/4/03), Kota Belud (7-9/4/03), Kota Marudu (14-16/4/03), Sandakan (21-25/4/03) and Kudat (28-30/4/03).

A Workshop on Gender Awareness for Loan Supervisors (LS) Group I was conducted in KK from 25 to 26 April 2003. 25 LS attended. They were from KK, KB, KM and Kudat Branches. The main objective was to increase the motivational and supervisory capacity of field staffs and specifically to instill knowledge and create awareness on gender issues that may be useful to their work as ‘change agents’ and for providing financial service to the rural women entrepreneurs. A Workshop for Gender Awareness for Loan Supervisors Group II from Keningau, Sandakan, Papar, Tuaran and Tambunan Branch was conducted on 1 and 2 July 2003.



**Photo 8-45 Empowerment Seminar for Members (1)**



**Photo 8-46 Empowerment Seminar for Members (2)**

**Empowerment Workshop for YUM Member Rural Women Entrepreneurs:** A seminar for the empowerment of rural women entrepreneurs in Sabah was

conducted on 25 and 26 June 2003. The broad objective of the seminar is to increase leadership, motivation and gender awareness among rural women entrepreneurs. Specific objectives include increasing knowledge and skill related to entrepreneurship development, to instill in them the necessary attributes and image of true entrepreneurs, to create new entrepreneurs among rural communities who are creative and visionary, and to discuss and share knowledge on issues pertaining to entrepreneurship in YUM.

**Post Evaluation Study:** The questionnaire survey of the post evaluation study on the pilot project 10 was conducted in September and the final report was submitted the PUANDESA Technical Committee and the JICA team. (See Data Book).

**Proposal for Computerization of the Remaining Eight (8) Branches:** A proposal to computerize the eight (8) remaining YUM branches was submitted to MAFI on the 21<sup>st</sup> of July 2003 for consideration. A letter of response and support from the MAFI was addressed to the JICA Study Team Leader for consideration.

## **8.11 PILOT PROJECT 11: PROJECT OF IMPROVEMENT OF POLICY MAKERS' UNDERSTANDING AND SUPPORT**

### **8.11.1 OUTLINE**

The main objectives of the pilot project 11 are to 1) improve the policy-makers' understanding of Japan's policies and experiences in rural development and livelihood development and 2) increase their support for the PUANDESA Study and the Master Plan prepared by the Study. The target group is the policy maker of the related agencies and the taskforce team, which consists of the members of the Steering Committee of the Study.

The project was implemented by the project taskforce team of the Pilot Project 11, whose members are mainly from the Steering Committee of the Study. The project activities were supervised and monitored by the Institution and Financial Taskforce Team. The Ministry of Agriculture and Food Industry, Sabah (MAFI) is the leading agency of the project.

The roles and responsibilities of the related individuals and agencies were as follows;

- 1) Chairman (MAFI).
  - Coordinate and organize the project activities.

- Market the PUANDESA Study and the Master Plan to the policy makers of the related agencies and to the members of congress.
- 2) Taskforce team members.
  - Join the project meetings and seminars.
  - Conduct the works for which they were responsible.
- 3) Secretary.
  - Prepare the minutes of meetings.
  - Prepare the public relations materials.

### 8.11.2 ACTIVITIES AND ACHIEVEMENTS

(1) First meeting was held on the 3<sup>rd</sup> of October, 2002 and it was agreed to implement the following activities:

- 1) To inform the State Cabinet of the existence of the pilot projects and eventually the master plan.
- 2) To organize workshops and seminars on gender development.
- 3) To present a seminar paper in the national convention on Women National Policy, which was organized by JHEWA

(2) First seminar on the Japan's Experience with Rural Life Improvement

The 1<sup>st</sup> seminar was held on 18<sup>th</sup> February 2003 and attended by 40 participants from the related agencies.

Seminar papers presented:

- 1) Overview of Improvement of Living Conditions in Japan by the JICA Study Team.
- 2) Activities for Living Conditions Improvement and Rural Women's Role in Japan by the JICA Study Team.
- 3) Views and Comments Based on a Site Visit from February, 12 to 14 by the JICA Study Team.
- 4) A video show entitled Daily Activities of an Extension Worker for Living Condition Improvement in Japan by the JICA expatriate from Japan.
- 5) Overview of Sabah Policy of Rural Development by the Ministry of Rural Development.
- 6) Overview of Agricultural-Related Development Policy in Sabah by the Ministry of Agriculture and Food Industry.
- 7) Overview of Women and Development in Sabah by the Women Affairs Unit.

(3) Second seminar on the Japan Experience with Livelihood Improvement and the Extension System in Rural Development

The 2<sup>nd</sup> seminar was held on 12<sup>th</sup> June 2003 attended by the members of the pilot project 11, the members of the pilot project 8 and JICA Study Team members. The seminar was chaired by the Permanent Secretary, Ministry of Agriculture and Food Industry (Chairman of Project 11).

Papers presented:

- 1) “Activities Of Extension Workers in Japan” and “Japan Experience with Livelihood Improvement In Rural Development” by Mr. Masafumi Ikeno, an extension expert from Japan.
- 2) Overview of Sabah’s Extension Activities for Rural Women by the Department Of Agriculture (DOA), Sabah.

(4) Third seminar on the Agro-Tourism and Eco-Tourism Experience in Japan and Sabah

The 3<sup>rd</sup> seminar was held on 10<sup>th</sup> October 2003 and attended by the members of the pilot project 11, the members of the pilot project 8 and JICA Study Team members. The seminar was chaired by the Permanent Secretary, Ministry of Agriculture and Food Industry (Chairman of Project 11).

Papers presented:

- 1) “Agro-Tourism and Eco-Tourism in Japan” by Mr. Yoneda, JICA Expert of the Borneo Biodiversity Ecosystem Conservation Program (BBEC).
- 2) “Outline of the BBEC Program” by Mr. Yoneda.
- 3) “BBEC Activities through Participatory Approach” by Mr. Sakai, JICA Expert of BBEC.
- 4) “Agro-Tourism and Eco-Tourism in Sabah” by the Ministry of Tourism.
- 5) “Outline and Findings of the PUANDESA Pilot Project 6: Promotion of Local Products under Kudat Tourism Development and its Potentials” by Mr. Patric Lee Mojinun, ADO of Matunggong.





Photo 8-47 Opening of the 3<sup>rd</sup> Seminar



Photo 8-48 Presentation by BBEC

## **CHAPTER 9: POST EVALUATION OF THE PILOT PROJECTS**

### **9.1 METHOD AND SCHEDULE OF POST EVALUATION**

The Task Force and the JICA Study Team conducted a baseline survey, mid-term evaluation and post evaluation of the 11 pilot projects in October 2002, in March 2003 and in September and October 2003, respectively.

The Task Force members monitored the 11 pilot projects and prepared and submitted the monthly monitoring report, including monthly account book to the Pilot Project 8, which was responsible for supervising of all of the 11 pilot projects. These items were also submitted to the JICA Study Team. The structure of the pilot project monitoring is shown in Figure 7-5 in Chapter 7. The Task Force of the Pilot Project 8 held monthly monitoring meetings, inviting the team leaders of the 11 Task Forces. The leaders reported the progress of the pilot projects at the meeting. The activities that needed coordination among the related agencies and the problems which they had to discuss together were introduced into the meetings. The minutes of the monthly monitoring meetings were prepared by the secretariat of the Pilot Project 8 and circulated to the other Task Forces.

The baseline survey was carried out in October 2002 to collect the data showing the situation of the target groups before the pilot project implemented. The mid-term evaluation was conducted in March 2003 to check the progress of the pilot projects and to see if some changes were necessary in the project design. Finally, at the end of the pilot project implementation, the post evaluation was carried out in September and October 2003. The dates of the post evaluation for each pilot projects were different, because the Task Forces needed to consider the project progress and wrap-up.

The baseline survey, the mid-term evaluation and the post evaluation were designed based on the PDM (Project Design Matrix) prepared in the beginning of the pilot project implementation, which are shown in the Appendix-2 Wrap-up Report of the Pilot Project Prepared by the Sabah Task Forces. The indicators, data sources and information gathering methodology for each pilot project are different because the technical and education level of the target groups are not the same.

Table 9-1 shows the outline of post evaluation done by the pilot projects.

**Table 9-1 Outline of the Post Evaluation of Each Pilot Project**

	<b>METHOD</b>	<b>TARGETS</b>	<b>SCHEDULE</b>
PROJECT 1 (Thinking/Working)	Focus-group interview Participatory evaluation	All target group members (women)	End of October
PROJECT 2 (One stop)	Questionnaire survey Participatory evaluation	All target members (JKKKs of 6 villages)	End of October
PROJECT 3 (Unused resources)	Focus-group interview	Leaders of the target groups	Middle of October
PROJECT 4 (Seaweed)	Focus-group interview	Leaders of the target groups	Middle of October
PROJECT 5 (KPD tamu)	Questionnaire survey Focus-group interview	Target group members Task force members	End of September
PROJECT 6 (Kudat tourism)	Questionnaire survey Focus group interview	Target group members Task force members	End of September
PROJECT 7 (Extension skills)	Questionnaire survey Participatory evaluation Group discussion	Target group Task force members	End of October
PROJECT 8 (Monitoring)	Group discussion	Task force members	End of October
PROJECT 9 (Handicraft)	Group discussion	Task force members	End of September
PROJECT 10 (YUM)	Questionnaire survey	District branch officers YUM members	Middle of September
PROJECT 11 (Policy-makers)	Group discussion	Task force members	Middle of October

(Data Source: prepared by the JICA Study Team)

## **9.2 FINDINGS OF THE POST EVALUATION**

Through the post evaluation, (1) output, (2) outcome, and (3) key issues of the project sustainability were clarified, which are summarized below:

### **9.2.1 PILOT PROJECT 1: PROJECT OF THINKING AND WORKING WITH RURAL WOMEN**

#### **(1) OUTPUT**

- 1) Monthly visits to the target groups, 13 visits in total, were made by the extension staff and the Task Force during the pilot projects.
- 2) Three (3) target groups of 28 rural women members in the isolated villages were trained.
- 3) Awareness and motivation training, participatory approaches and gender

training were introduced into the training courses.

- 4) Three (3) micro projects, i) selling local cakes; ii) training in sewing; and iii) introducing of a rice mill machine, were planned and conducted by the target groups.

## (2) OUTCOME

- 1) ***Quality of the extension activities:*** Before the Pilot Project 1, the DOA's PKT extension workers for rural women visited the target villages once in three months and taught them how to sew, how to cook etc. This training was done following their training modules and the interests of the target groups. During the pilot project 1, the DOA PKT extension workers visited once or twice per month and their communication with the target groups was regularly done. The quality of the training was also improved through introducing awareness, motivation, participatory and gender issues training. Several workshops were conducted to make the target groups discuss their lives, families, livelihoods, living conditions etc. and to identify problems and needs.
- 2) ***Women's motivation:*** The focus group interview with the target group members indicated that around 60% of the members attended all of the project activities. The purposes of their joining the pilot project were as follows:
  - a. to open up their minds and to get experience.
  - b. to get to know each other.
  - c. to develop group activities.
  - d. to increase knowledge and performance.
  - e. to increase income.
- 3) ***Project approaches:*** All of the group members said that they enjoyed the activities and they accepted participatory approaches and working in a group. Through the group activities, they learned the following:
  - a. cooperation.
  - b. member collaboration.
  - c. exchange of ideas.
  - d. importance of leadership.
  - e. how to increase income.
- 4) ***Understanding of families:*** All of the target groups said that their family members understood their activities very well and were very supportive and that the community members were interested in the project.

- 5) ***Self-evaluation of their achievements:*** Based on the results of the participatory evaluation, it was learned that the target group members thought they were confident and had good cooperation and leadership. The quality of their activities and skills was not fully developed.

(3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) The target group was impressed by earning RM200 after selling local cakes produced by their micro project. The extension workers need to train them how to keep account books, and on the sharing and saving of the income, food handling and marketing etc. step by step.
- 2) The target group members have become confident of their contribution to the rural life improvement in their villages by themselves; however, the follow-up visits and the regular communication by the extension workers were important to ensure what was developed by the pilot project.

**9.2.2 PILOT PROJECT 2: PROJECT OF ESTABLISHMENT OF A ONE-STOP SERVICE FOR RURAL WOMEN ENTREPRENEURS**

(1) OUTPUT

- 1) JKKK members (a chairperson and a women leader) of the six (6) pilot projects were trained to understand their roles in the one-stop service centers in the villages.
- 2) Information boards were installed in the six (6) villages to provide information related to enhancing entrepreneur activities.
- 3) An information center with a computer system and internet was established at the DOA district office of Pitag; the officers and the extension staff of the district office were trained in operating the information center.

(2) OUTCOME

- 1) ***JKKKs' understanding:*** In the beginning, they joined the pilot project because they were told to do so by the KPLB. However, after they attended the first training, all of the participants understood the importance of the project. They said that they joined the pilot project:
  - a. to gain experience.
  - b. to work together.
  - c. to increase knowledge to help their villages.
  - d. because they were very attracted to the project contents.

- 2) ***JKKKs' commitment:*** The target JKKKs agreed on the purpose of the project and were proud of playing the role of a one-stop service center. And after the pilot project, they said that they would:
  - a. need this project to be active in rural life improvement.
  - b. be ready to manage this project.
  - c. pass the information along to develop the village.
- 3) ***Self-evaluation of their achievement:*** 50% of the target JKKKs said that they were very well prepared to implement the project activities, while the rest said well prepared. 25% of the target JKKKs said that they were very well prepared to reach out to the women in their communities and the rest well prepared.

(3) KEY ISSUES FOR THE PROJECT SUSTAINABILITY

- 1) More training workshops, including participatory and gender training need to be conducted for the target groups, although they thought of themselves as ready to function as a one-stop service center.
- 2) The guidelines for the one-stop service center in the village should be prepared by JHEWA and KPLB as soon as possible.
- 3) Simulation workshops for the one-stop service in the villages had better be conducted to make the project more practical.
- 4) The responsibilities of the leading agencies, KPLB and JHEWA and the other related agencies should be reconfirmed in the Master Plan.

**9.2.3 PILOT PROJECT 3: PROJECT OF UTILIZATION OF UNUSED PRODUCTS AND RESOURCES**

(1) OUTPUT

- 1) Rural women of the five villages who were interested in handicraft production were trained in utilization of unused resources and in making paper, candles and soaps. The target group members were around 40 persons in total.
- 2) Regular training courses to introduce the concepts and to teach them how to prepare the products were conducted in Kota Marudu.
- 3) Two (2) or three (3) women from each of the target villages were creative enough to produce their products and keen to improve the quality. They sold their products and gained income during the pilot project.
- 4) A brief guideline for utilization of unused resources was prepared.
- 5) There were comments from the target members that the delivery of equipment and information by the Task Force had a few problems during the

pilot project. They were not timely or did not reach to all of the members.

(2) OUTCOME

- 1) **Women's motivation:** Based on the focus group interview with the target group members, the purposes of their joining the pilot project were as follows:
  - a. interested in the project concept.
  - b. to get income for the family.
  - c. to share information and experience.
  - d. to utilize various unused resources such as bee's wax, coconut shells, banana leaves, grasses, etc. in the community.
  - e. to increase knowledge and performance.
- 2) **Women's understanding and creativity:** 20% of the target women said that the idea of using unused resources was useful and wanted to use it. They said that no capital would be needed and that it had a limited impact on the environment. On the other hand, 80% of the target women said that the idea would be useful but that they had no idea how to implement it without any guidance from the trainers. Most of the target women understood the project concept; however, they needed additional guidance for utilizing unused resources in their own communities.
- 3) **Group activities:** All of the target group members enjoyed working in a small group. Through the group activities, they learned:
  - a. how to understand each other, including their negative characters.
  - b. how to discuss in a group and to share ideas.
  - c. how to work faster and more productively.
  - d. how to learn knowledge and skills from the leaders.
- 4) **Self-evaluation of their achievements:** Among the target group members, a few members of each village were confident of their production skills and creativity. The private sectors as well as the government agencies ordered their products.
- 5) **Target groups teaching others:** There were a few members who grew, not only as good leaders and capable producers, but also as good trainers. They worked with the Task Force to train other rural women in the end of the pilot project.

(3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) The product quality of the target groups is not stable yet. It needs to be improved through the follow-up activities.
- 2) The target groups can not produce a good quantity of the products yet. The

Task Force needs to consider and discuss how to cope with the orders from the clients.

#### 9.2.4 PILOT PROJECT 4: PROJECT OF SEAWEED CULTURE AND PROCESSING

##### (1) OUTPUT

- 1) Two (2) women's groups of the target fishing villages were trained in seaweed culturing, harvesting, awareness, motivation and hygiene.
- 2) The target groups were very active and showed good production performance.
- 3) They produced approximately 10 metric tons every month.
- 4) They earned about RM 20,000 in September 2003. One (1) member could gain RM 1,000 in average, which was 10 times more income than before the pilot project implementation.
- 5) Accounting and the business management have not been practiced by the members yet, although they were trained by the pilot project.
- 6) There is a good market existing around the target area; some Chinese factories buy the products regularly.

##### (2) OUTCOME

- 1) **Women's motivation:** The target group members had been working as supportive labor for their husbands. They had seldom been trained by the government programs. The pilot project provided them with the opportunity to join awareness training and production skill training. The productivity of the target group was higher than that of the male project.
- 2) **Group activities:** The members of the target groups experienced difficulties working in a group. Most of the members preferred to work individually even after the pilot project. The reasons are:
  - a. they seldom worked in a group.
  - b. to work in a group did not have advantages in seaweed culture.
  - c. they felt that the profit sharing among the group members was not fair.
  - d. leadership was not strong.
  - e. information and equipment sharing was not properly done.

The production activities had started before social preparation and group formation was done properly. The groups were not well organized and there were several conflicts among the members, such as income sharing and equipment delivery etc.

**Project contribution to rural life improvement:** The target groups did not



enjoy working in a group and they preferred to work individually or with their own family to get more income. Therefore, they seldom considered to share and/or save the benefits with the community members or to contribute to the rural life improvement.

(3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) Awareness and motivation training and group formation training need to be done properly before the main production activities start. Otherwise, the benefits of the pilot project might not be shared fairly or utilized effectively by the group members or the community members.
- 2) Seaweed processing skills for rural women entrepreneurs need to be introduced to provide their products with more value and to develop niche markets.

**9.2.5 PILOT PROJECT 5: PROJECT OF IMPROVEMENT AND INNOVATION OF KPD TAMU FUNCTION**

(1) OUTPUT

- 1) Two (2) training courses (four-days each) on food handling were conducted.
- 2) Approximately 50 rural women entrepreneurs were trained in the courses. The trainees who completed the courses obtained food handling certificates from the Ministry of Health.
- 3) Demonstration of sales promotions for the rural women's products were conducted at KPD Tamu, twice a month. 24 demonstrations were conducted in total during the pilot project period.
- 4) After obtaining the food handling certificate, the target group members became confident and could improve their product quality. It contributed to their income increase, eventually.
- 5) A market survey was carried out by the Task Force to clarify the role of the KPD Tamu and the possible markets for the rural women's products.
- 6) The information corner of the KPD Tamu was improved to function as the PUANDESA market information center for the rural women entrepreneurs.

(2) OUTCOME

- 1) **Women's motivation:** The target groups of the rural women entrepreneurs enjoyed and fully utilized the opportunities to join the food handling and hygiene training courses; they had never been able to access to such kind of training programs. They had realized that the food handling training was essential to improve their product quality based on their business experience. All of the target members were keen to learn the skills on how to improve

their product quality, which made the training courses practical and beneficial to the participants.

- 2) ***Technical improvement of the Task Force:*** The pilot project improved, not only the target groups' skills, but also the Task Force's business sense and marketing know how. They had had limited opportunities to conduct market surveys or to work with their beneficiaries directly. The pilot project gave them good opportunities to improve their knowledge and skills.
- 3) ***Demonstration at the KPD Tamu:*** The demonstration of the food products, prepared by the target groups after completing the food handling training courses, delivered a clear useful message about the importance of product quality and shelf life, not only to the other rural women entrepreneurs, but also to the consumers.

### (3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) The contents of the food handling training courses need to be improved in order for the rural women entrepreneurs to understand and practice the skills more easily.
- 2) The food handling training courses are costly and assistance from the other related agencies, such as the Ministry of Health, were required. The courses were critical for the rural women entrepreneurs, therefore they need to be continued through collaboration among the related agencies.
- 3) The KPD Tamu should be more effectively utilized as the base of the rural women entrepreneurs. Institutional strengthening needs to be done in addition to the facilities improvement.

## **9.2.6 PILOT PROJECT 6: PROJECT OF PROMOTION OF LOCAL PRODUCT UNDER THE KUDAT TOURISM DEVELOPMENT**

### (1) OUTPUTS

- 1) A coordination committee was established to promote networking and collaborative activities between the four (4) target villages.
- 2) The concept of "one village one industry", which had been promoted by KPLB in the target area, was discussed and the approaches of the four target villages to increase their income were identified.
- 3) A plan for agro-tourism promotion networking between the four villages and the tourism attraction in Kudat area including "the tip of Borneo" was prepared and the brochure was produced of the stamp rally covering the four villages and the tourists' spot introduction.
- 4) A four-days food handling training course was conducted for the rural

women who were engaged in food processing and catering businesses.

- 5) Two (2) four-day handicraft business training courses were conducted and two (2) study tours were carried out.
- 6) Collaborative efforts to clean up the community environment were conducted by the community members to entice more tourists to the villages.

## (2) OUTCOME

- 1) ***Development of new products and improvement of traditional ones:*** Through the pilot project training workshops, the target women groups discussed and studied their own skills and products. The target groups learned how to improve the traditional skills and how to develop new products.
  - a. The group who produced beads created a new product, cloth bags decorated with beads (Tinanggol).
  - b. The group who were engaged in honey production improved their bottling techniques with the technical assistance of KPD (Gombizau).
  - c. The gong making group tried to create new products which were good for tourists as souvenirs (Sumangkap)
  - d. The longhouse village considered how to make their services more attractive to the tourists, especially as concerns hygiene and food handling (Bavanggazo). The target group members were trained in the same courses as the Pilot Project 5.
- 2) ***Income increase:*** Among the four (4) villages, the bottling improvement of the honey brought the biggest income increase to the target groups. Before the pilot project, the village received 100 – 200 visitors and earned RM 2,000 – 3,000 monthly. After the improvement of the bottling and the promotion of the agro-tourism by the pilot project, around 300 – 500 visitors came to the village and honey production could create the income of RM 5,000 and more.
- 3) ***Cleaning of the living environment:*** The target groups understood the importance of environment improvement to make their villages attractive as tourist places. The community groups conducted campaign activities for “community clean up”. The environment of the community has been gradually cleaned, although more efforts would be required.
- 4) ***Coordination of the local government:*** In the beginning of the pilot project, the purpose and approaches of the project were not well understood by the

local government and their involvement was limited. However, after four to five months activities, after the District Office acknowledged the necessity of the project in the target area, they started to lead and coordinate the project activities actively, which contributed a lot to the project progress.

**(3) KEY ISSUES FOR PROJECT SUSTAINABILITY**

- 1) Each of the target villages implemented their own activities seriously in the pilot project; however, the coordination among these villages remained challenging. They were more competitive, rather than collaborative during the pilot project. It might be good to improve their activities. In their case, personal relationships caused several problems. These would take time to solve, but to promote their collaborative efforts, they need to discuss openly how to settle the problems in their own communities.
- 2) The target area might be more suitable as an agro-tourism attraction to the local tourists (Sabah, Sarawak and the peninsula districts) than the foreign tourists. Currently, the domestic market for tourism is not very big; therefore the strategies on how to entice more local tourists needs to be discussed such as home stay, school trips, events and seminars etc.
- 3) The role and the commitment of the local government need to be clarified and strengthened to ensure the project sustainability.

**9.2.7 PILOT PROJECT 7: PARTICIPATORY METHOD TRAINING ON SOCIAL AND GENDER ISSUE ANALYSIS**

**(1) OUTPUT**

- 1) 12 members of the Gender Task Force were trained as core trainers. In-house training courses and meetings were conducted during the trainers' training. They were trained by the JICA Study Team members and the local consultant.
- 2) 24 extension workers and field assistants of the related agencies were trained in facilitation skills and gender and participatory approaches.
- 3) Four (4) training courses were conducted in total; the training covered:
  - a. understanding of "development."
  - b. participatory approach.
  - c. gender concepts.
  - d. gender issue analysis.
  - e. facilitation skills.
  - f. group formation and group dynamics.
  - g. participatory evaluation.

- 4) A gender issues trainer's team was formulated. This consisted of the core trainers and the trainees of the pilot project as the supporting trainers.
- 5) Based on the experience of the training courses, "the PUANDESA Facilitators' Guide for Participatory and Gender Issue Approaches" was produced.
- 6) Seven (7) members of the Task Force visited the Training Services Enhancement Project for Rural Life Improvement (TSEP-RLI) in the Philippines to learn of their rural life improvement activities and facilitation skills.

## (2) OUTCOME

- 1) ***Capacity building of the gender task force members:*** The Gender Task Force consisted of the key persons of the human resources development and/or the extension services for rural life improvement. Three (3) persons out of the 12 members were trained in gender issues and participatory approaches; however they were not instructed in training other teachers. After the in-house training and the Pilot Project 7 training, their skills for planning, facilitating, making a presentation, group formation etc. were improved and most of them looked very confident in their roles as the trainers. As for the concept of the gender issue and participatory approaches, more training might be necessary.
- 2) ***Capacity building for the extension staff members:*** Only one (1) person out of the 24 trainees joined the participatory approach training; and none of them were trained in gender issues. They satisfied the requirements of the training, although there were some problems pointed out related to the language barrier (between English and Malay) and the facilitation skills of some of the trainers. All of the trainees planned to practice what they learned and they expected more training in leadership training, small group formation, group dynamics, presentation skills and a study tour to see the model cases.
- 3) ***Learning from the JICA project in the Philippines:*** The members who joined the study tour to the Philippines learned how to organize and lead the workshops with the community members and how to apply facilitation skills through joining the actual workshop in the village. This experience gave them the ideas on the rural life improvement through the bottom-up approach. They have tried to apply what they had learned during the pilot project implementation in Sabah.
- 4) ***Dissemination of gender and participatory approaches:*** Through the

training courses of the Pilot Project 7 and the practical activities with the rural women of the Pilot Project 1, the concept of gender issue and participatory approaches were well disseminated among the counterparts and the related agencies. It might need more effort to make these approaches practiced in the supporting programs of the related agencies.

- 5) ***Introduction of awareness and motivation to the other pilot projects:*** Most of the projects had been implemented without spending enough time in awareness and motivation workshops with target groups. Therefore, the target groups were not ready to work, which negatively affected ownership and sustainability of the project. The pilot project stressed the importance of the social preparation. The other pilot projects such as Pilot Projects 3, 4, 5 and 6 requested the Task Force of the Pilot Project 7 to conduct awareness and motivation workshops with their target groups after they started their projects and realized the necessity of those workshops.

(3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) A Gender Issues Training Team made up of members of the Gender Task Force and the trainees of Pilot Project 7 should be organized to establish a permanent team for training facilitation, gender issues and participatory approaches.
- 2) To make their activities more effective, the training team members need to be provided more training to understand the concepts and the training skills.
- 3) The team may train the officers in each of the related agencies and the target groups of the rural development projects.
- 4) MAFI, DOA, KPD, JHEWA and other related agencies need to support their activities because they are expected to disseminate the key concept and training, which is essential to implement the PUANDESA Master Plan.

## **9.2.8 PILOT PROJECT 8: PROJECT OF STRENGTHENING A COODINATION BODY FOR RURAL WOMEN ENPOWERMENT**

(1) OUTPUTS

- 1) Monthly monitoring meetings were conducted regularly and the pilot project progress was reported and discussed; and the proper monitoring and guidance were provided through these meetings.
- 2) The pilot project created the nickname of the Study as “PUANDESA”, the logo and the slogan.
- 3) The pilot project coordinated all of the pilot project activities and products and participated in the events such as the Harvest Festival, Farmers’ Day,

Women's Conference etc. for the public relations of the PUANDESA pilot projects.

- 4) The pilot project held the evaluation conference to review and exchange the pilot project experience among the Task Forces and the target groups of rural women.
- 5) A study tour to the project site of the Pilot Project 4 was conducted in order to learn the lessons of the project implementation.

## (2) OUTCOMES

- 1) ***Effective monitoring and supervision:*** The monitoring and supervision of the pilot projects were done regularly by the Pilot Project 8 even when the JICA Study Team was not in Sabah. This showed the strong commitment of the Sabah counterparts.
- 2) ***Ownership of the PUANDESA pilot projects:*** In addition to the monitoring activities, the nickname and various public relations activities ensured their ownership of the PUANDESA pilot projects.
- 3) ***Networking and coordination:*** Before the pilot project, there was no official place or committee to coordinate the government agencies related to the rural life improvement. Through the pilot project implementation, the structure of planning, information exchange and working together was created among them.

## (3) KEY ISSUES FOR THE PROJECT SUSTAINABILITY

- 1) KPD and DOA showed good leadership to monitor and supervise the pilot projects. The related agencies were also cooperated to conduct public relations and information exchange. After the pilot project, MAFI, as a leading agency of the PUANDESA Study, needed to create a permanent coordination body based on this networking structure fostered and strengthened by the counterparts.

### **9.2.9 PILOT PROJECT 9: PROJECT OF REINFORCEMENT OF AN ORGANIZATION NETWORK FOR HANDICRAFT PROMOTION**

#### (1) OUTPUTS

- 1) Monthly meetings were conducted by the handicraft related agencies to discuss how to promote the Sabah ethnic handicraft market.
- 2) A questionnaire survey of handicraft and souvenir shops in Sabah was conducted to know the handicraft market and the market needs.
- 3) The logo of the Sabah ethnic handicraft was created, which will be used by the related agencies when they promote Sabah handicraft.

- 4) Training courses in packaging and utilization of unused resources were conducted for the extension staff of the related agencies and to the rural women leaders.
- 5) The brochure to assist rural women entrepreneurs in their handicraft production and marketing was created by the Task Force and delivered to the rural women through JKJKs. The brochure tells the women how to get support from the government programs.

(2) OUTCOME

- 1) **Information exchange:** Handicraft production is one of the major activities conducted by the rural women entrepreneurs and there are many government programs to support them. However, the programs are not well coordinated and do not reach the target groups efficiently. The pilot project provided the first official opportunity to share information about their training, events, seminars etc. among the related agencies.
- 2) **Understanding the needs of the rural women:** The handicraft related agencies have implemented support programs; however, most of the programs are not planned through the bottom-up approach. Some of the programs do not meet the needs of the rural women. Through the pilot project, the related agencies understood the importance of the bottom-up approach and decided to collect information from the villages to improve their supporting programs.

(3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) It was difficult to create a networking system among the different agencies, some are state agencies and some are federal. In order to establish and enhance a permanent coordination body of the handicraft-related agencies, strong leadership and commitment would be required. KPLB and PKKM are expected to lead these efforts.

### **9.2.10 PILOT PROJECT 10: PROJECT OF EFFECTIVENESS OF THE MICRO-FINANCE SCHEME FOR RURAL WOMEN ENTREPRENURS**

(1) OUTPUT

- 1) A computerized micro credit management system was introduced to the six (6) YUM branches, which are being well operated and maintained by the branch officers under the supervision of the YUM headquarters.
- 2) Clerical and technical staff of the six (6) branches were trained in operation and maintenance of the new management system.
- 3) All of the data of the YUM clients (rural women entrepreneurs) was input



into the new management system and the client information data base was developed.

- 4) Around 60 loan supervisors from all of the YUM branches were provided with gender issues training to improve their loan services to the clients.
- 5) Around 50 center chiefs, who are the leaders of the YUM client groups, were trained in awareness and motivation as well as business management.
- 6) To review YUM services and understand the needs of the branch officers and the clients, the YUM headquarters conducted a baseline survey and a post evaluation survey during the pilot project. They produced the reports for the two surveys, which were shared by the YUM branches as well as the PUANDESA related agencies.

## (2) OUTCOME

- 1) **Efficiency improvement of the loan service procedures:** The time that had been spent on document preparation and filing was reduced by the new system. This enabled the branch officers to spend more time in the field to communicate and support their clients.
- 2) **Client information database:** After the new system was introduced, the YUM offices could access the client information database. They had had to look for piles of documents in the filing cabinets previously. It improved the loan services at the YUM branches and the officers' understanding of their clients.
- 3) **Support from JHEWA:** During the pilot project, the YUM training of their client women groups was financed by JHEWA because it was regarded as very useful to strengthen the rural women entrepreneurs. It is expected that this type of technical and financial support will strengthening of the YUM support programs.

## (3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) YUM plans to extend the new system to the other 13 branches, for which they need to find funding sources. Their micro finance services are critical for the rural women entrepreneurs; therefore, financial support from the state and the federal government is required.
- 2) YUM had capacity and network for communicating with their clients, rural women entrepreneurs. The training services of their clients in micro financing, saving, business management and rural life improvement need to be enhanced.

### 9.2.11 PILOT PROJECT 11: PROJECT OF IMPROVEMENT OF POLICY MAKERS' UNDERSTANDING AND SUPPORT

#### (1) OUTPUT

- 1) Three seminars to introduce Japan's policy and experience in rural development, were conducted by the pilot project; the topics of the seminars were:
  - a. "Japan's Experience with Rural Life Improvement.
  - b. "Japan's Experience with Livelihood Improvement and Extension Systems in Rural Development."
  - c. Agro-Tourism and Eco-Tourism Experience in Japan and Sabah.
- 2) The policy makers and the counterparts of the related agencies had clearer knowledge of and were interested in Japan's rural development, especially "the role of the extension workers", "the importance of facilitation skills", "agro-tourism and eco-tourism promotion" etc.

#### (2) OUTCOME

- 1) ***Increasing of the policy makers' support:*** Most of the policy makers had heard something about Japan's successful experience in rural development. However, they did not know the actual contents and the positive points and the negative points of the activities. After they learned Japan's policy and experience and understood that the PUANDESA Study tried to practice them in the pilot projects, they have become very supportive to the pilot project implementation.
- 2) ***Policy makers' expectations of the Master Plan:*** The policy makers of the related agencies realized the importance of enhancing rural women's agro-related activities, they increased their interests and expectations for the Master Plan prepared by the PUANDESA Study. This contributed to the smooth implementation of the Plan.
- 3) ***Their understanding of gender issues and participatory approaches:*** The policy makers came to have more knowledge of "gender issues" and the "participatory approach." They realized the importance of the participatory approach, which was lacking in most of their previous development projects. On the other hand, it will take time to create gender sensitive policies and to promote gender mainstreaming, because they did not fully understand the ideas of "gender issues" in rural development.

#### (3) KEY ISSUES FOR PROJECT SUSTAINABILITY

- 1) The Task Forces of the pilot projects need to continue to provide the

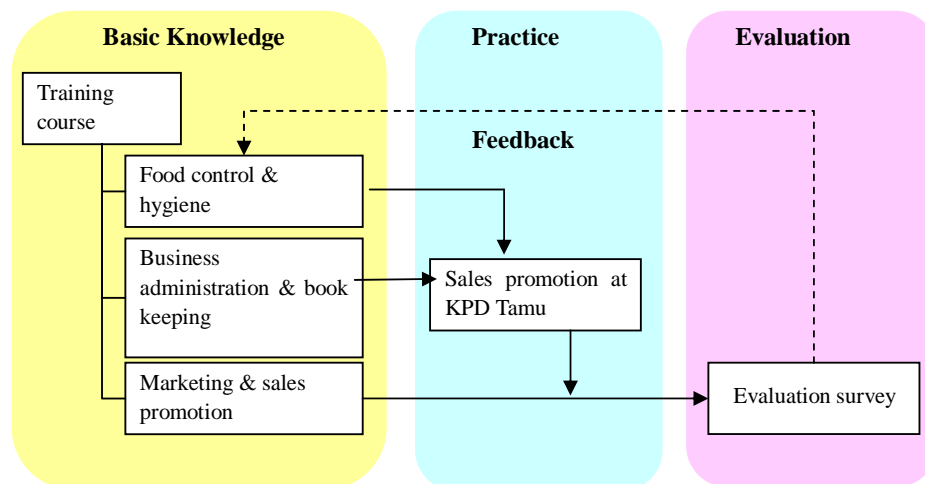
information about the PUANDESA pilot projects and the Master Plan progress to keep up their interest and support.

### 9.3 INCOME GENERATION IN THE PILOT PROJECTS

Pilot Project 5 and Pilot Project 6 targeted the rural women who had already started agro-related business. The two (2) projects aimed at increasing the income of their current businesses through food handling improvement, marketing demonstrations and agro-tourism promotion, etc. Pilot Project 3 and Pilot Project 4 covered the rural women in the isolated areas who had not started their own business yet. In these four (4) pilot projects, income generation activities were included. In order to transfer the implications to the Master Plan preparation, the income generation and increase in the four (4) projects were analyzed as follows:

#### 9.3.1 CASE 1: RURAL WOMEN GROUPS WHO HAD STARTED BUSINESSES BEFORE THE PUANDESA PROJECT (PILOT PROJECT 5)

The Pilot Project 5 targeted the rural women groups who had already started their micro businesses and tried to grow them. They conducted activities to increase their sales through i) attending training courses in food handling, ii) practicing sales promotion at the KPD Tamu and iii) learning business administration and book keeping (Figure 9-1). Table 9-2 shows sales, costs and profits of the target groups of the Pilot Project 5 at KPD Tamu. The participants did not only earned the profit at the Tamu’s practical training shown in Table 9-2 but also gained the opportunities to contact the regular customers. As a result of the project, the following outputs were observed.



**Figure 9-1 Training Module of the Pilot Project 5**

**Table 9-2 Sales of the Target Women Groups of Pilot Project 5 at KPD Tamu**

No. Month Number of Members		1	2	3	4	5	6	7	8	9	10
		Feb. 9	Feb. 23	March 9	March 30	April 13	May 11	May 25	June 15	June 29	July 13
Juice 3	Sales	135.00	225.00	255.00	168.00	250.50	202.50	255.00	261.00	180.00	270.00
	Cost	77.00	146.76	104.00	44.70	72.50	80.00	129.80	112.60	105.90	166.00
	Profit	58.00	78.24	151.00	123.30	178.00	122.50	125.20	148.40	74.10	104.00
Quail 2	Sales		621.00			615.00		765.00	510.00	652.50	497.00
	Cost		323.10			242.80		135.00	158.00	335.60	256.00
	Profit	-	297.90	-	-	372.20	-	630.00	352.00	316.90	241.00
Local Cakes 6	Sales	270.00	231.50		83.30		450.00	300.00		296.50	290.00
	Cost	36.60	147.90		7.80		170.00	168.00		116.00	118.00
	Profit	233.40	83.60	-	75.50	-	280.00	132.00	-	180.50	172.00

(Data Source: prepared by the JICA Study Team)

The group producing juice opened a new branch and now has three (3) shops in total. Since the business prospect is good, they applied to a bank for a loan in order to purchase new equipment. FAMA has encouraged them to promote local fruit juice, which is healthy. The women group members wear aprons while cooking at the local markets. Their husbands help them when they are very busy. At the moment, the problem they face is in obtaining raw materials. They are thinking of keeping stock in a store.

The local cakes group, which is supported by DOA, has received many offers from retail shops to order their cakes. Some of retailers were surprised to see the producers of local cake '*Kuih Cincin*' at the KPD TAMU and requested contracts to trade directly with them. They also received orders from Sandakan. Three (3) of the group members now employ six (6) assistants. The other local cakes group which produces '*Kuih Penjeram*' and consists of three (3) members has also increased the number of regular clients they have. In order to cater to the demand, they employ two (2) assistants in addition to the help they receive from their own families. The two (2) groups have factories in different places, but they share information on sales promotion.

The quail group has been attempting to diversify their quail products based on guidance from DOVSAI. They only served one (1) type of marinade in the beginning, but have expanded to two (2) types through their experimenting efforts. DOVSAI has been trying to introduce new sources of protein and has been encouraging farmers to breed a variety of animals. The group has been supported by a successful quail breeder who assists in transportation and creating a close

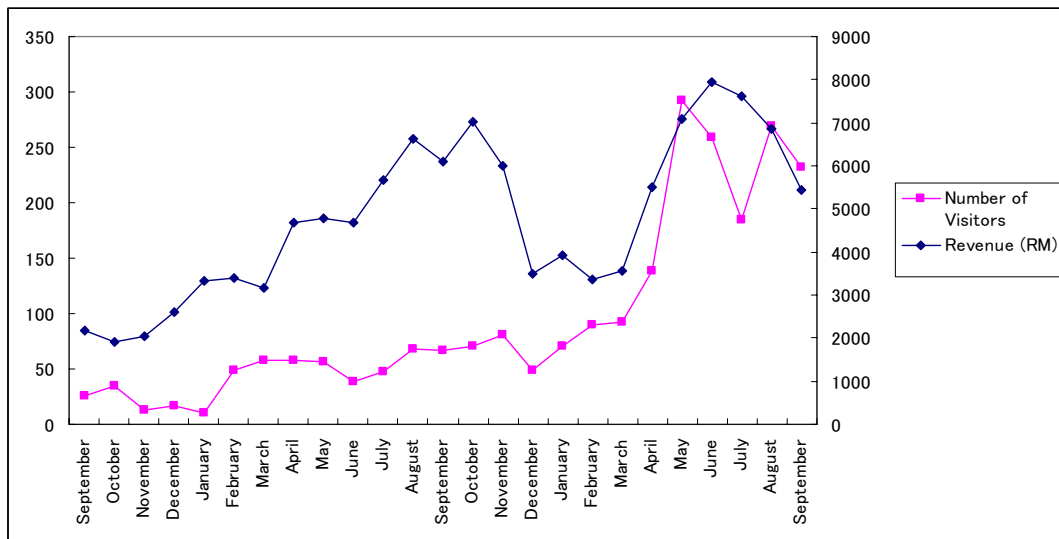
network with other breeders. The project was also good for DOVSAI to promote their activities and they encouraged the farmers to sell their meat.

Income generation was not the only benefit the members received through the project; they gained invaluable experiences as well. The members' impressions were introduced in "Women's Voice" attached Appendix 3.

### **9.3.2 CASE 2: RURAL WOMEN GROUPS WHO HAD STARTED BUSINESSES BEFORE THE PUANDESA PROJECT (PILOT PROJECT 6)**

The Pilot Project 6 targeted the rural women groups who had started their businesses through joining the KPD Contract Farming Program, through using their traditional skills or through supporting their family business. In the Pilot Project 6, they conducted activities to increase their sales through promoting the "one village one product" movement and improving their agro-tourism attractions.

Figure 9-2 shows the number of visitors and the revenue of Gombizau village. The number of families involved in this activity is seven. They sell the bottles of honey in the village shop to the visitors and, if requested, they also demonstrate taking honey from the manmade beehives. Since the production of honey by bees is seasonal, the production and sales of bottles fluctuates. According to the women's group leader, after changing bottles from using recycled bottles to new ones obtained from a factory, sales increased drastically and sometimes their entire stock is sold out. The price of a 500ml bottle of honey is RM 8 and the cost of a bottle is RM 0.30. The price is less than in KK. The quality of honey is different as well. It is made out of 100% raw honey. People in Sabah prefer raw honey to processed honey. Visitors enjoy the demonstrations and the opportunity to taste the honey on the farm. They buy some bottles as souvenirs. It was proved that the pilot project was effective for the development of their business.

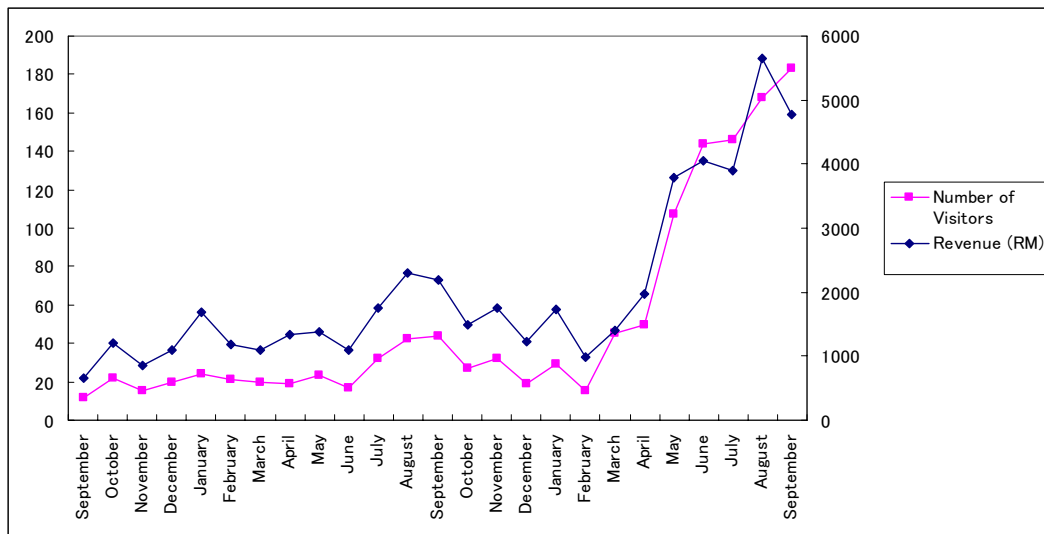


(Data Source: prepared by the JICA Study Team)

**Figure 9-2 Visitors and Revenue of Gombizau Village**

After distributing the promotional brochures, the four (4) villages received more visits from clients through private travel agencies. They introduced the traditional longhouse in Bavanggazo to tourists. Since the travel agencies take commission fees, the unit revenue from visitors to the village has dropped. However, the revenue of the business is still increasing. In Bavanggazo, the group involved in the tourism longhouse business separated into two groups in March this year. The first longhouse is handled by seven (7) families and the new longhouse is handled by 10 families. Figure 9-2 shows information on Bavanggazo village as a whole. The longhouse revenue does not include the revenue obtained through the sales of handicrafts.

As shown in the following line graph, Figure 9-3, the number of visitor has increased after the distribution of the brochures. The activities of the pilot project aiming at publicity was proved effective from this result.



(Data Source: prepared by the JICA Study Team)

**Figure 9-3 Visitors and Revenue of Bavanggazo Village**

### 9.3.3 CASE 3: RURAL WOMEN WHO STARTED AGRO-RELATED ACTIVITIES IN THE PUANDESA STUDY (PILOT PROJECT 3)

The Pilot Project 3 covered the rural women's group who had limited access to the government supporting programs and had not been actively working towards livelihood improvement. The Pilot Project 3 worked with them to introduce the concept of utilization of unused resources in their own villages. They were trained to review locally available resources and to think of how to utilize them for income generation. In the Pilot Project 3, the major activities were i) paper making from unused grasses; ii) candle making from bees wax; iii) soap making from coconut oil and iv) salt making from banana leaves.

Sample cases of the rural women's businesses created in the Pilot Project 3 are shown below:

#### (1) SAMPLE CASE OF PAPER MAKING

The cost of the paper making businesses included the following items:

##### Equipment

- Plastic containers (A3 size).
- Plastic nets (A3 size).
- Nets (A3 size).
- Lye (Air Abu).
- Clorox (Bleach).

Material

- Leaves and stems of the plants grown naturally in rural areas or by-products from the agricultural activities.

Production Cost (for 100 sheets of A3 size paper)

- Lye            RM 6.6(3 bottles of Air Abu).
- Clorox        RM 6.0.
- Fuel          NA.
- Labor        NA.

Based on the production costs and the market price, the products of the paper making of the Pilot Project 3 were priced as follows:

Price of the Products (from 100 sheets of A3 size paper)

- A3 size paper                    RM 3/sheet x 100 = RM 300
- A5 size greeting cards        RM 1.5/sheet x 400 = RM 600
- A5 size envelopes              RM 2.5/ x 100 pieces = RM 250
- A5 size gift bags                RM 6.0/piece x 100 = RM 600
- Book marks                      RM 0.75/piece x 2,000 = RM 1,500

Although their paper making still needs quality improvement, the Pilot Project 3 target village (Kampung Tarangkapas) has already received several orders for their products (greeting cards, envelopes, gift bags, bookmarks, etc). This is because the project concept meets the needs of the environmentally conscious consumers. The order amounted to over RM 2,000.

Paper is one of the basic materials for handicrafts. Therefore, there is a possibility for a good market as a semi-product. FELCRA in Kuala Lumpur has already expressed their interest to purchase the paper created by the Pilot Project 3 participants as a semi-product and its final processing will be done by their own designers. Adhesiveness and the fine fibers of buntui leaves, which was discovered during the pilot project, made it possible to utilize maize, sugar cane or many other rough fibers which had been regarded as unsuitable for paper making.

Buntui is a highly reproductive grass. It takes three (3) weeks to grow to back to a suitable size for use after cutting. Replanting measures are simple as well. When they increase the size of the business, it is important to consider how to collect and grow the materials in the village. For further expansion of the paper making businesses, better equipment for fiber grinding/mixing needs to be developed as



well. Since pestles and mortars are the major forms of equipment currently used in the villages, there is a limitation of the quantity they can produce.

## (2) SAMPLE CASE OF CANDLE MAKING

The cost of the candle making businesses included the following items:

### Production

- Price of beehives: RM 14/set (queen bee beehive RM 7/box, worker bee beehive RM 7/box).
- Number of beehives purchased in SSP: queen bee beehives, 6 boxes/person, worker bee beehives, 6 boxes/person (9 hives in each beehive box).
- Beehive reproduction cycle: 3 months.
- Life of the box: 3 years (replacement cost will be posted on a monthly basis by installments).
- Both investment costs and operation and maintenance costs are insignificant.

### Material

- Beeswax (unused by-products from the beekeeping)

### Production Cost

- Beeswax: RM 0.5/bottle (price of the 500ml bottle)
- Candle: RM 0.5/piece (prices of fuel and wick)
- Beehive: RM 0.4/box/month  
including the box replacement cost every three years  
 $RM\ 14/box \div 36\ months = RM\ 0.4/box/month$

The sales profits from the candle making of the Pilot Project 3 were as follows:

### Selling Price of the Products (yield from each hive)

- Honey: 500 ml/hive = RM 600/500ml bottle
- Candle: 1 piece/hive = RM 2.5/piece

### Yield from One Beehive Box (9 hives/box)

- Honey: RM 58.5/box
- Candle: RM 22.5 /box (9 pieces/box@RM 2.5/piece)

Based on the data above mentioned, the profit from the candle making is shown below:

### Sample Profit from Candle Making

- Honey: RM 17.6/box/month  
Production – Cost (RM 6.5 – RM 0.5)/bottle = RM 6/bottle

$$\begin{aligned} & \text{RM } 6 \times 9 \text{ bottles/box} \div 3 \text{ months} = \text{RM } 18/\text{box/month} \\ & \text{RM } 18/\text{box/month} - \text{RM } 0.4/\text{box/month (cost for replacement)} \\ & = 17.6 \text{ RM/box/month} \end{aligned}$$

- Candles: 6 RM/box/month  
Production – Cost (RM 2.5 – RM 0.5)/piece = RM 2/piece  
RM 2 x 9 pieces/box ÷ 3 month = RM 6/box/month
- Total Profit = Honey + Candle = RM 17.6 + RM 6 = 23.6 RM/box/month

A member of the target group has 25 beehive boxes in average. Therefore, their monthly profit from their honey and candle making will produce RM 590/month with an additional RM 150/month through candle making.

Calculations above are for the simple candle without a holder. Products with some added value and more attraction such as using coconut shell or bamboo as a holder will improve the profit further. There is no full-time beekeeping household in the Pilot Project 3 target village (Kampung Minyak). Beekeeping is mainly performed as a side-income activity and an attraction for the homestay programs.

Candle making from beeswax contributed to raise the attractiveness of the homestay program. Currently honey and candles produced in the village are sold in a roadside stall or to the participants of the home stay program. However, if distribution channels are found in nearby Kota Belud Tamu or hotels and tourist shops in Kudat or Kota Kinabalu, there are possibilities for further income improvement as well as to make as a business.

#### **9.3.4 CASE 4: RURAL WOMEN WHO STARTED AGRO-RELATED ACTIVITIES IN THE PUANDESA STUDY (PILOT PROJECT 4)**

The Pilot Project 4 targeted the rural women's group who had not started their own businesses but worked as supportive labor for their family fishery businesses. They were trained in seaweed culture production, selling and accounting in the project. Under the project, necessary inputs were provided through the procurement of equipment, facilities and materials by JICA. 20 acres of farming area were provided by the Local government side, then some workshops, seminars and trainings were also conducted by the project.

##### (1) PROCUREMENT

Seaweed culture equipment, facilities and materials were procured in October 2002 and additional items were procured in February 2003, as shown below:

**Table 9-3 Equipment & Materials Procured by the Pilot Project 4**

Items	Unit price	Q'ty	Amount
Rope	29.40	280	8,232.00
Raffia rope	7.50	400	3,000.00
Stick	18.00	640	11,520.00
Plastic float	1.20	2,200	2,640.00
Plastic bottle float	0.50	5,000	2,500.00
Harvest boarts (w/engines and accessories)	5,700.00	2	11,400.00
Seeding boarts	500.00	10	5,000.00
Seaweed seed			10,285.00
Platform	9,350.00	2	18,700.00
Seaweed storage shed	3,000.00	2	6,000.00
Glass bottle (1 lit. for pickles)	18.50	50	925.00
Plastic sealer (for plastic bag)	250.00	2	500.00
Paint	147.00	1	147.00
Others	1,500.00	1	1,500.00
			82,349.00

(Data Source: prepared by the Task Force of the Pilot Project 4)

## (2) PRODUCTION AND SALES

The result of producing dried seaweed is shown in the table below.

**Table 9-4 Monthly Production of the Pilot Project 4**

Month	Dry Quantity	Value
December 2002	5.39 metric tons	RM 9,702.00
January 2003	12.83 metric tons	RM 23,094.00
February 2003	19.53 metric tons	RM 35,154.00
March 2003	6.72 metric tons	RM 12,096.00
April 2003	4.32 metric tons	RM 7,776.00
May 2003	5.22 metric tons	RM 9,396.00
June 2003	5.63 metric tons	RM 10,134.00
July 2003	9.70 metric tons	RM 17,460.00
August 2003	8.75 metric tons	RM 15,750.00
September 2003	12.51 metric tons	RM 22,518.00
<b>TOTAL</b>	<b>90.60 metric tons</b>	<b>RM 163,080.00</b>

(Data Source: prepared by the Task Force of the Pilot Project 4)

The months of April – June 2003 were the lean production period because of weather conditions and the prevalence of a disease called “ice-ice”. The production of seaweed in surrounding farms was almost nil in those months, however, the production result of Project No.4 was fortunately better than them. They could make other sales from seed stocks sold to other farmers during ice-ice.

### (3) REVOLVING FUNDS AND GROUP FUNDS

The Pilot Project 4 is being implemented very successfully and the group members are earning good incomes. Some funds will be saved from the sales of the products for the further implementation and expansion of the Project. The funds are for: revolving funds, operation and maintenance, and group activities.

#### 1) Revolving funds

The initial funds for necessary facilities, equipment and materials amounting to around RM 82,000 were allocated from the project funds. This initial fund is scheduled to be returned from the sales amount, and will be utilized as a revolving fund for future expansion of seaweed farming activities to other communities or groups.

#### 2) Operation and maintenance funds (O & M funds)

The group must deposit the O & M funds for the continuous operation of the project. This fund will be used for operation and maintenance of facilities and equipment, buying seed stocks during ice-ice, renewal or extension of facilities, etc.

#### 3) Group activity funds

The target group needs to keep the group activity funds, which will be used for improving the quality of the living environment within the community such as sanitation, water treatment, health, education, etc. based on the concept of the PUANDESA project implementation

Those funds from the sales of seaweed farming are to be shared and to be saved by the group. The schedule of share will be planned as an alternative schedule on the sample case as below. This case assumes that 1/2 of the total lines are planted in regular months and 1/3 of that (e.g. 1/6 of total lines) in lean months, such as May – July. The culture efficiency rate of harvesting is assumed to be 70%, therefore, the figures used from the model are reasonable.

The shares for savings are proposed as a) Revolving fund; 20% of sales of dried seaweed, b) O&M fund; 10% of sales, and c) Group activities fund; 15% of sales. The remaining balance out of the above mentioned shares is of RM 130,000, and this amount can be paid to the group members as salary.

**Table 9-5 Harvesting, Selling and Balance of the Pilot Project 4 (Sample)**

Month	Harvest (kg)	Selling (RM)	Saving Amount			Balance (RM)
			Revolving 20% (RM)	O&M 10% (RM)	Group activities 15% (RM)	
Jan	13,090	23,600	4,720	2,360	3,540	12,980
Feb	13,090	23,600	4,720	2,360	3,540	12,980
Mar	13,099	23,600	4,720	2,360	3,540	12,980
Apr	13,090	23,600	4,720	2,360	3,540	12,980
May	4,420	8,000	1,600	800	1,200	4,400
Jun	4,420	8,000	1,600	800	1,200	4,400
Jul	4,420	8,000	1,600	800	1,200	4,400
Aug	13,090	23,600	4,720	2,360	3,540	12,980
Sep	13,090	23,600	4,720	2,360	3,540	12,980
Oct	13,090	23,600	4,720	2,360	3,540	12,980
Nov	13,090	23,600	4,720	2,360	3,540	12,980
Dec	13,090	23,600	4,720	2,360	3,540	12,980
Total	131,070	236,400	47,280	23,640	35,460	130,020

(Data Source: prepared by the Task Force of the Pilot Project 4)

#### (4) SUSTAINABILITY OF THE PROJECT

Based on the result of the case 4, Pilot Project 4, the seaweed culture was verified to be appropriate for women's income generation. The market is ready to purchase their seaweed and productivity of women's group had been very good. Although the initial cost was allocated from the budget of the JICA Study, it was proved that the profit could cover the initial cost after one year. Provided the initial cost supported by the government would be refunded by rural women groups and work as the revolving fund, the Project can be expanded to the other areas gradually.

## CHAPTER 10: LESSONS LEARNED

The lessons are classified into three (3) groups; namely 1) lessons learned from the supporting agencies; 2) lessons learned from the target groups; and 3) lessons learned from Japan's experience.

### 10.1 LESSONS LEARNED FROM THE SUPPORTING AGENCIES

The JICA Study Team worked with the counterparts of the related agencies for pilot project implementation and monitoring. Through exchanges of ideas, information and technologies, the Study Team was impressed by their strong commitment and good performance in rural life improvement. Following are the major lessons that were obtained by the Study Team.

***Organization of the Technical Committee and the Steering Committee:*** The counterparts of the related agencies were keen on the progress of the PUANDESA Study. The Technical Committee, chaired by the deputy general manager of KPD and co-chaired by the deputy director of DOA, conducted regular monthly meetings to share the information and experiences among the counterparts and the JICA Study Team. It shows that their leadership and ownership of the PUANDESA Study was very strong and that they committed themselves to carry out the PUANDESA Study and the pilot projects smoothly.

***Capacity of supervision of the pilot project:*** The Pilot Project 8 conducted regular meetings to monitor the pilot projects on their own account. Each of the Task Forces of the pilot projects reported the progress of the pilot projects and the participants discussed the problems and the solutions. The Task Force members shared the information and the experience of the pilot projects. They were also serious about continuing the pilot projects after the technical cooperation of the JICA Study Team was completed. This fact also showed their strong commitment to the PUANDESA Study and the rural life improvement activities in Sabah.

***Report writing:*** The chairpersons of the Task Forces of the pilot projects prepared the reports on the projects' progress in the middle of the pilot projects in June 2003 and at the end of the pilot projects in October 2003. Judging from the structure and the contents of the reports, their technical level and expertise were high. They understood the objectives and the principles of the PUANDESA Study fully and tried to make full use of the benefits of the JICA's technical assistance for their rural life improvement.

**Personnel resources:** The related agencies have capable personnel resources with commitment and expertise. However, due to the limited financial resources of the state government, their activities in the field have not been active for the past few years. This has made them passive and they had the tendency to await the orders from the top rather than creating some proposals by themselves. At the same time, they did not have any chance of practicing gender issue and participatory approaches, although they had heard the terminology. The staff members of the related agencies, who had enough potential and expertise, enjoyed working in the pilot projects, leading their responsible support and learning from the local consultants and the JICA Study Team. In order to ensure their capability and what they learned from the PUANDESA Study, it might be necessary to provide them with additional theoretical and practical training.

## **10.2 LESSONS LEARNED FROM THE TARGET GROUPS**

In Pilot Projects 1, 2, 3, 4, 5 and 6, the Sabah counterparts and the JICA Study Team worked directly with the rural women groups. In the beginning, they did not understand our intension and were not yet ready to work with us. However, the pilot project activities proved their potential and eagerness to contribute to the rural life improvement in their own villages as main players.

### **10.2.1 KEY ISSUES OF WORKING WITH THE RURAL WOMEN IN THE ISOLATED AREAS**

**Rural women's potentials:** The Pilot Project 1 targeted the rural women's group that lived in the isolated villages in the mountainous areas or in the tropical jungle areas. Based on the information of the extension workers, about 50% of the women in the village were illiterate. They were passive and had not thought they would or could do something by themselves. They were waiting for something to be provided by the Task Force. They were not ready for joining the livelihood project in the beginning of the project. However, they were friendly and did not show any hostility or fear for the Task Force. There were many youth with potential; the younger generation could have better education. Although it took more than six (6) months for the Task Force to communicate with them frankly and to discuss their problems and solutions, some of the group members started to think positively and lead the other members. Young leaders and continuous communication with extension staff members could change their attitudes and ways of thinking.

**Group organization and leadership:** The women in the rural areas in Sabah were not familiar with working in a group. They seldom had a chance to form a group or to conduct activities. In the beginning, the groups organized under the Pilot Project had limited leadership and collaboration among the group members was not observed. One of the groups needed to change the leading members in the middle of the activities, because they could not maintain good harmonization in the group. After the leadership training and the group formation workshop, the situation was slowly changed. It was not functional to try to make them hurry in forming a group or doing activities. They need to learn the good points and constraints of working in a group and experience sharing the benefits with the members and enjoying the group activities by themselves, not through the strong guidance of the extension workers. It is necessary to remember that these activities for social preparation take time but are still very important for the project sustainability.

**Implementation of micro projects:** Even if the project scale was very limited, micro projects were effective for the rural women to plan and to conduct some activities to improve their livelihood by themselves. This was their first time to take an initiative in rural life improvement. Planning and doing something by themselves made them confident. They were proud of their plans, activities and products. These experiences through the micro projects could lead to other activities to improve their living environment.

**Support of the community members:** In the beginning of the Pilot Project, the community leaders and the members' husbands were suspicious about the project. They worried about the negative impact to the rural community. After joining the workshops, they knew that the Pilot Project aimed at rural life improvement through enhancing the rural women's activities. They did not understand the importance of the empowerment of the rural women fully; however they were cooperative as far as the Pilot Project tried to contribute to their rural life improvement. The members' husbands assisted their wives in constructing a group activity base by rehabilitating existing structures or extending their houses, which improved the activeness and confidence of the rural women. It is realized that support of the community members such as husbands and the surrounding villagers is very important.

**Rural women and information:** In the isolated villages, the rural women get information mainly through radios; batteries are used in the villages. DOA provides a program related to agriculture skills and rural life improvement, which



is mainly targeting the farmers. The information for cooking, child care, health, nutrition, home economy and income generation for the rural women are only delivered by the extension staff of DOA and the health staff of the Ministry of Health, who visit the village once in two (2) or three (3) months. Their knowledge and access to information and training are limited, even if they want to improve their livelihood. Rural women's accessibility to information should be taken into consideration.

***JKKK's role and commitment:*** JKKKs are community leaders appointed by the District Officers supervised by KPLB. After working with them for one (1) year, it was clear that they were responsible for village development and committed themselves to the tasks. In the target villages, the JKKKs' chairpersons were relatively young, in their 30's. They were flexible and accepted their new role as the one-stop service center proposed by the Pilot Project 2. It may need proper guidance and support from the extension staff members and the related agencies. Additional training needs to be provided for them by KPLB and JHEWA. Based on their commitment and the good relationship with the rural women, the JKKKs have the potential to function as the one-stop service center.

### **10.2.2 GOOD RESPONSE FROM THE MARKET TO UTILIZATION OF UNUSED RESOURCES**

***Abundant knowledge on unused resources:*** The target rural women have, by nature, more knowledge regarding unused resources than city dwellers. For example, by looking at a sample handicraft, they could tell its material, characteristics and where the material would be found growing. They are also able to think of alternative materials, with similar characteristics, which are available in their living area. This shows their high potential for utilizing unused resources.

***Importance of cooperation from family and villages:*** Eight months after the beginning of the seminars/workshops on utilizing unused resources, a participant, who had been taking part in activities enthusiastically, ceased her attendance. Since she had to make a sacrifice in her domestic affairs in order to attend the activities, which left her for more than half a year without any income, her husband told her to quit. Corresponding to this situation, the gender issues taskforce team was dispatched and a meeting was held including rural men to explain the objectives and advantages of the activities. For instance, 1) handicrafts activities utilizing unused resources can be started by anyone, anytime,

anywhere; 2) activities can be concentrated during just the agricultural off-season; and 3) it will improve rural women's side-income. Yet there were male participants who did not realize the necessity of side-income made by women. The related agencies should promote the understanding of family members and communities, and encourage them to cooperate with women's activities; otherwise the sustainability of the projects would not be ensured.

***Equitability within the group activities:*** It is a custom in rural villages in Sabah that a leader of the group has more privileges than others. In fact, the leader plays a very important role in group activities from the managing aspects, such as in pricing of the goods, marketing and negotiation with customers. However, in some activities, especially in handicrafts, it is more effective to focus on artists/goods producers such as in development of new items and designs. From this point of view, the main artists in the group were selected to attend the study tour to the Philippines to get ideas on new marketable products. The opportunities for training should be provided equally based on the potential skill, not management skill.

***Ensuring the steady supply of material:*** If the raw materials for the handicrafts are unused by-products of the village's main agricultural activities, their steady supply is assured as long as the village continues the agricultural activity. However, if the materials are simply unused resources, continuous exploitation will lead to depletion in the end. There was an actual case of this for rattans, bamboos and certain tree barks, which were exhausted in a village and villagers had to go far to buy the raw materials they needed for their handicrafts. To avoid the recurrence of such a situation, government agencies have started the replanting of the materials that are in high demand.

***Utilization of unused resources highly dependent on creativity:*** Utilization of unused resources requires repetitive trial and error before the distinction of each characteristic is known. Through several trials on paper making conducted together with rural women in the Pilot Project 3, not only the methods for utilization of the material, but also the equipment suitable for the work in rural villages were improved as listed below. Creativity is one of the keys to turn a trial into a success.

#### Materials

- Because of natural adhesiveness of Buntui leaves, it was found that there is no need for starch which is usually used for paper making.

- Adhesiveness and the fine fibers of Buntui leaves made it possible to utilize maize or sugar cane fibers as well, which are usually unsuitable materials for paper making because of their roughness.
- Since Kapok has oily fibers, its major use had been as wadding for pillows. However, it was found that Kapok brings a unique soft texture to papers when the oil content is removed.

#### Equipment and materials

- For extracting fibers, caustic soda is replaced by lye available in the village.
- Blender for grinding fibers is replaced by a pestle and mortar.
- Coffee filter is used for straining out ground fibers.
- To avoid paper shrinking, the drying process is modified from sun-dried to shade-dried.

***Role of governmental agency:*** Excessive guidance by a government agency will spoil the rural women's own creativity. It is important to develop and keep their creativity through the seminars/workshops to avert turning rural women into mere workers. Related government agencies have already recognized their role as a supporting system upon and started the reinforcement of organizational networks for handicraft promotion.

### **10.2.3 LESSONS FROM WORKING WITH THE FISHING VILLAGE WOMEN**

***To prove the women's groups' capability for seaweed culture:*** The rural women in the fishing villages played an important role in the seaweed culture; however, they could seldom join the government programs. Given the opportunity to become direct beneficiaries of the Pilot Project 4, the women groups proved their capacity for seaweed culture and produced as much quantity and as fine a quality as the men's groups did. This was because they were hard working and enjoyed the activities of the Pilot Project 4, where they were the key players for the first time. Additionally, their husbands, after observing the rural women's working efficiently, were supportive and helped them do some of the heavy work.

***Difficulties of group formation:*** Two groups were organized in the beginning of the project, with 10 members in each group; however, due to a lack of leadership, there were complaints about inconvenience and unfairness in the group work in one of the two groups. Therefore, the Task Force decided to restructure the two (2) groups. The two (2) groups were merged into one (1). Awareness training and group formation workshops had been conducted by the Task Force, but the impact

of these activities was not enough. Before the actual production started, more time should have been spent for social preparation and group formation by the Task Force and the extension staff.

***Utilization of the income:*** Because the income of the project was more than had been expected, the target group members used their income and bought electric appliances such as washing machines etc. It might be necessary for them to save money together to improve their water supply or hygiene. Or they had better save money for their households because the seaweed culture production might not be stable. The Pilot Project 4 provided workshops and training in accounting, hygiene and income utilization. However, the education and literacy level of the women in the target fishery village is relatively low and they did not understand the importance of the accounting and production plan. The extension staff members should give priority to teaching the rural life improvement aspect in addition to training in income generation skills. Otherwise, their income increase does not lead to their sustainable living environment improvement.

#### **10.2.4 MARKET PROMOTION AT THE KPD TAMU**

***Capability of the KPD Tamu officers:*** The KPD Tamu administration officers are less conscious of the fundamental roles and functions of the Tamu in enhancing the rural women entrepreneurs. The function of the KPD Tamu was not fully utilized, nor is it currently. This is because the officers were too busy to discuss how to improve the KPD Tamu. The KPD Tamu, held once every two weeks, was regarded as one of their routine works, rather than a special occasion for the rural women entrepreneurs. During the activities of the Pilot Project 5, such as food handling training, market surveys, demonstrations etc., the KPD Tamu officers showed their strong commitment and good ability for planning, implementation, monitoring and guiding the target groups. They also learned the potential of the KPD Tamu as the center of the rural women entrepreneurs.

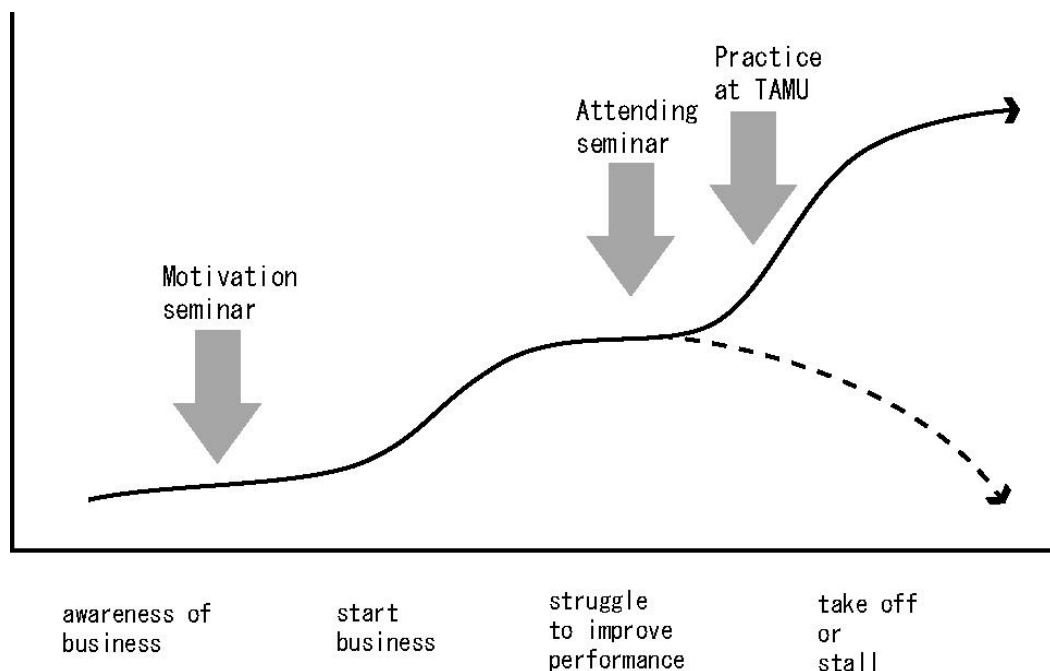
***Importance of hygiene and food handling seminars:*** A hygiene and food handling seminars were conducted by the related agencies. However, it was observed that most of the seminars were conducted using the traditional type of lectures. In order to provide the comprehensive and practical knowledge necessary for the food processing business, the Pilot Project 5 created various modules including lectures and practical type training classes on accounting, marketing etc. After the lectures on health and hygiene by the Ministry of Health, the participants obtained health certificates. The participants were very keen

during the training and they shared the participation fee because they really needed the training. They practiced what they learned during the sales promotions at KPD Tamu, which showed the effectiveness of the training. Currently the rural women have only limited access to these seminars. The government agencies and the private sectors need to consider how to organize the food handling seminars which are accessible by the rural women.

***Effectiveness of the Sales Promotion at KPD Tamu:*** In the second step of training in the food business, the task force gave the opportunity to three (3) target women groups - the local cakes group, the quail group and the fruit juice group - to practice selling at KPD TAMU. The expected results were;

- to give the rural women opportunities to meet end-consumers directly in order to build a reputation for themselves.
- to get used to communicating with the clients.
- to get used to efficient groups.
- to expand their network in business.

This practical training at the KPD Tamu functioned well. The trainees' behavior in sales promotion has improved. They also earned a profit. As a result, they gained the self-confidence to improve their businesses on their own. Giving them opportunities triggered the growth of their businesses. The business model for the above case is illustrated in the next figure.



(Data Source: prepared by the JICA Study Team)

**Figure 10-1 Business Development Model**

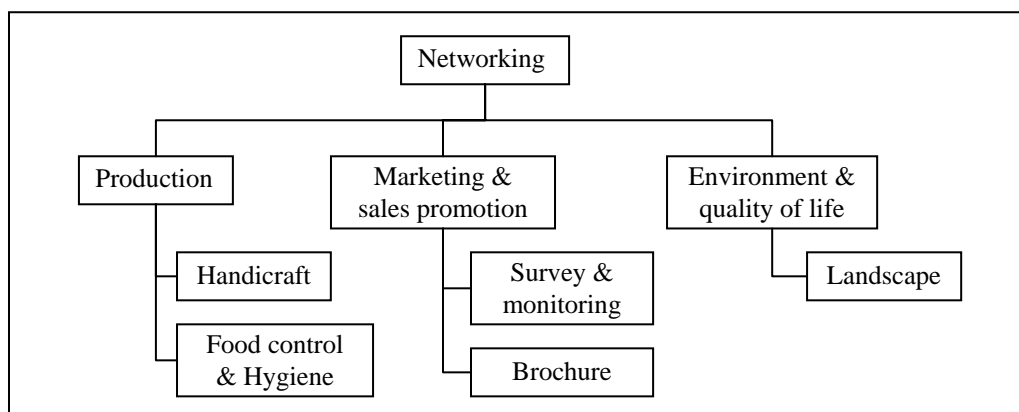
***Future plans as a motivational tool:*** Having a future plan is good motivation for the participants. It was helpful for rural women to receive advice on their future business plans through training. By being given the opportunity to voice their individual hopes, the trainees became more aggressive and serious about their business plans and learned more intensely about the know-how. One-way lectures are less effective than participatory two-way training programs. Government trainers, such as extension workers, should encourage them to put concrete business plans together. In the pilot project, the first target was to show the advantages of their products over other products. They demonstrated how to make local cakes, fresh fruit juice and fried quail marinades at the KPD TAMU. The second target was to sell at the harvest festival carnival. They improved their performance through the practical training plan in the real market. Their future plans in food businesses, including, to increase the number of regular clients, increase the number of staff members, increase profit, and save for future investments, have been achieved step by step. Reviewing their performances also had the effect of keeping their motivation level high. Participating in the training of the Pilot Project 5 was good stimulation for them.

***Middle-level officers' important roles in marketing:*** Through the pilot projects, the importance of the roles of middle leaders e.g. extension workers, local officers and loan managers was noted. They have been encouraging rural folk to get involved in economic activities and advising them on how to adjust to the market. Human resources are crucial, particularly in the marketing sector. Although people tend to conclude that businesses stall due to the lack of physical items such as funds and fixed assets, the on site middle leaders can advise them on the appropriate steps to be taken to gain access to the market. They also functioned as a hub for information between rural folk and government headquarters. However, their knowledge and experience have not been fully utilized in the planning in the marketing sector due to the lack of practical organizational skills. They have not been able to identify the problems or potential of the target rural areas through proper procedures. The task force implemented a training course on organization skills for planning in marketing. Most of the trainees selected by agencies were local staff facing problems in marketing. During the training course, they struggled with real market problem cases. They started by understanding present conditions, and proceeded to logical analysis, and designing plans. Proposals made by the local staff were useful in obtaining new ideas on measures to take to overcome market problems and capitalize on potentials.

### 10.2.5 INCOME GENERATION AND TOURISM DEVELOPMENT

***Government's support in development of the tourism industry:*** It was observed that the tourism industry has been promoted without the knowledge of the rural people. The government authorities in charge of tourism always placed emphasis on the needs of the market and implement expensive campaigns. However they can not afford to develop the rural areas as agro-tourism destinations even if there is potential. The government leaves it to the initiative of the rural folk. In the case of the target villages of the pilot project, they started focusing on the tourism industry in 1996. The "one village one industry" approach was introduced by a government agency and some facilities were provided through grants. The villagers made efforts to improve their individual tourism businesses. However, due to lack of experience in the tourism industry, their performances stalled. It was hard for them to make a breakthrough in the situation by themselves. They required a third party to provide consultancy services to find the way forward. Government agencies in charge of rural development, such as the sub-district office, KPD, KEMAS and YUM organized a task force team to deal with this matter in Matunggong. The government should play the role of agro-tourism organizers and should provide consultancy services to rural areas; otherwise the rural folk will not know what to do.

***The importance of a holistic approach:*** In terms of rural agro-tourism, the environment and atmosphere of the site is very important. All elements, including food, souvenirs, activities, landscape and others should be in tune with the overall concept of the area. Even if business activities are conducted individually, harmony and networking among villagers is crucial in order to attract tourists. During the workshops held, the task force led participants in conducting a SWOT analysis on their respective villages (four target villages). The weakness identified was that they regarded their neighbors as competitors and seldom cooperated among one other. People who obtained benefits from the government were envied by the other villagers; therefore, it was hard to share the benefits with the others. The impact on the society of donations is sometimes negative. The development strategy used took on a holistic approach. The following figure shows the skeleton of the action plans. If they took a single approach in development without a wider view point, the four (4) villages would not have come to an agreement as business partners.



**Figure 10-2 Holistic Approach in the Agro-Tourism Action Plan in Matunggong**

**Formation of a team coordinated by the local government:** To develop agro-tourism, a transfer of technology skills in production is needed. Since a single agency can not cover every sector, a holistic approach handled by various agencies is more effective. It is necessary to have one agency leading in order to organize the project team. The local government, which is the District Office or Sub-District Office, is appropriate as a coordination body. In the pilot project, food control specialists (KPD/OISCA), handicrafts (PKKM/SPS), sewing (KEMAS), and marketing (KPD/SPS) work in different districts. Therefore the task force members structured an Implementation Team and a Promotion Team in order to act efficiently (See table below). Under the leader, who is the Sub-District Officer, the implementation team in Matunggong and the promotion team in Kota Kinabalu took on the roles of the action plans. If the main office had functioned exclusively, the project could not have been carried out smoothly.

**Table 10-1 Organizational Structure for the Development of Agro-Tourism**

	<b>Implementation Team</b>	<b>Promotion Team</b>	<b>Monitoring Team</b>
Kudat	Leader/Main	Sub	Main
Kota Kinabalu	Sub	Main	Main

(Data Source: prepared by the JICA Study Team)

**Collaboration between government agencies and villagers:** Besides leadership, the ownership by individual team members is very important. If the concept and strategy of action plans are clear, each team member can define their duties. In the pilot project, individual task force members ensure the action plans were carried out effectively. Participants from the target villages saw the zeal of the task force members. If the villagers did not trust the task force members as being fair, the



communication among the stakeholders would not have functioned well. Even if the officers preached to the villagers, without the existence of mutual trust, the project would not have been sustained. Since the members always worked and thought together with the villagers, collaboration was achieved. That is to say, the behavior of officers in the villages was a key to the success of the project. The good point of developing agro-tourism in this pilot project was that officers did not display arrogant behavior and were frank with the villagers. By listening to the villagers' voices carefully, the project was implemented properly.

***Comprehensive approach for agro-tourism:*** It is easy to say that the agro-tourism problem is caused by the lack of funds and facilities. There is some truth in this, but not entirely. Even if the government constructs a big stage for gong performances in a village, the people can not fully utilize it without a practical action plan. Even if the government provides toilets for visitors, the people will not maintain it if no system is put in place. The JICA Study Team suggests making a guideline package on consultancy services for agro-tourism in the villages, which includes facilities and management. There are a few developers in the agro-tourism field who can plan rural development, so that the project team can be organized.

#### **10.2.6 IMPORTANCE OF FACILITATION SKILLS FOR EXTENSION STAFF**

***Training system for core-trainers:*** Core-trainers had a limited opportunity to strengthen their capacity on extension activities for rural development. Through training workshops in the pilot project 7, which were organized for the gender issues taskforce team formed by staffs from various institutions related to rural development, core-trainers had a valuable opportunity to complement their weak points by themselves and/or obtain current skills as well as techniques. Thus, a training system for core-trainers in collaboration with various institutions is useful for the strengthening of their capacity on extension activities. In Sabah, only a limited number of core-trainers existed due to an insufficient training system for core-trainer candidates. The candidates obtained good capacity for being core-trainers through training workshops in the pilot project 7 and they began to work for other pilot projects in this study and other rural development projects in Sabah. This shows that the training system for core-trainer candidates is effective to strengthen their capacity and increase the number of core-trainers in Sabah.

***On-the-job training system for core-trainer candidates:*** The candidates above-mentioned had poor experience with extension activities in the field. Through participating in the on-the-job training in the pilot project 1 with support of core-trainers, the candidates learned the know-how of extension activities on the basis of knowledge studied in the training workshops for core-trainer candidates. Therefore, an on-the-job training system helps poorly experienced candidates to complement their capacity and know-how.

***Training modules and materials:*** The core-trainers and the candidates had difficulty in utilizing existing training modules and materials. Accordingly, new training modules and materials with easy explanations and more illustrations were prepared on the basis of the experiences gained through training workshops in the pilot project 7. They were used for other pilot projects in this study and rural development projects in Sabah as well. Training modules and materials designed for easy handling may accelerate disseminating know-how of extension activities in Sabah.

***Local knowledge:*** Though general methods of extension activities were known to the core-trainers, including the candidates, some methods were not available for rural development due to the lack of application of local knowledge in Sabah. Therefore, during the training workshops and upgrading the training modules and materials in the pilot project 7, the local knowledge was taken into account with support of a local consultant who had a great deal of experience on rural development in Sabah. Utilization of local knowledge is essential to establish the optimum characteristics for extension methods in Sabah.

### **10.3 LESSONS LEARNED FROM JAPAN'S EXPERIENCE**

During the PUANDESA Study, there were several opportunities provided to share Japan's experience in rural life improvement through i) the technology transfer during the pilot project, ii) the visit to Sabah by the Japanese livelihood extension workers, iii) the counterpart training, iv) the visit to JICA's project for rural development in the Philippines, and v) the presentations on Japan's experience in rural life improvement at the seminars of the Pilot Project 11.

#### **10.3.1 RURAL LIFE IMPROVEMENT**

The verification survey showed that rural development in Sabah could accept the various aspects of the livelihood improvement program in postwar rural Japan. In the postwar period, rural women's groups in Japan started being organized

through self-reliance activities to improve living conditions with the support of the livelihood extension workers of DOA, KPD, DOVSAI, DOF etc.

#### (1) FINDINGS FROM THE PILOT PROJECTS

Rural women in Sabah had, in general, a limited capacity to analyze living conditions holistically as well as scientifically, and it was up to them to seek the enlightenment owing to the insufficient support of extension staffs. At the same time, extension staffs had limited know-how on livelihood improvement due to the deficiencies of the training system, training modules and materials.

In view of this situation, extension staff took part in the training workshops programmed by the Pilot Project 1 and Pilot Project 7 to learn know-how on Japanese livelihood improvement programs. In parallel with that, the policy-makers of the central government studied Japan's experience on livelihood improvement through the seminars programmed by the Pilot Project 11.

As capacity building in this study progressed, the extension staff can utilize the know-how on livelihood improvement in other rural development projects.

#### (2) APPLICABLE ITEMS FOR RURAL DEVELOPMENT IN SABAH

The policy-makers and extension staff learned that the various aspects of Japan's experiences in livelihood improvement program were applicable for the rural development in Sabah, including livelihood improvement and rural entrepreneurship. The main aspects are summarized below.

#### **Roles of Extension Workers on Livelihood Improvement**

Livelihood improvement covers various fields of daily life besides domestic duties. Therefore, extension staff should take many roles in livelihood improvement activities as follows:

- to be an educator for guiding livelihood improvement.
- to be a creator of local techniques using local materials and local knowledge.
- to be a facilitator in organizing a rural women's group through model projects.
- to be a planner of extension activities in the area where she/he is responsible.
- to be an evaluator and confirm the progress of the group activity.
- to be a coordinator and/or act as go-between for the local people and the government.
- to be a consultant and/or counselor for many things besides livelihood improvement.

### **Organization of Rural Women's Groups**

The group activity is one of the important measures to promote livelihood improvement along with women's self-reliance. Through the group activity, extension staffs expect effective extension and efficient work for the target groups, and disseminate the experience and the lessons learned for other groups afterward. Extension staff, thus, should promote the organization of a rural women's group on livelihood improvement in the target area with consideration for the following points.

- to deepen awareness of rural women on livelihood improvement through individual visits by extension staff and gatherings, before organizing the rural women's group. This builds fundamental self-sustainability for the group activities.
- to find a group leader through discussions and activities, irrespective of social background, such as educational background, her authority in the community or the status of her husband. Strengthen leadership of the group leader through individual guidance of extension staff as well as training workshops with other rural women's group leaders.

### **Collaboration with the Local Community**

Some of the livelihood improvement programs are deeply involved with major issues and problems throughout a community. In this case, it is difficult to solve the problem only through the group activity of rural women. Support from the local community, such as JKKK in Sabah is indispensable. The rural women's group, therefore, should request the collaboration of the local community in cooperation with extension staff. At the same time, extension staff should take measures to avoid social conflict and disturbance in the local community for smooth implementation.

### **Cooperation with Institutions related to Livelihood Improvement**

Livelihood improvement programs cover every aspect of living conditions, such as economic activities, health, education and welfare. At the same time, extension staff have a limited capacity to tackle every issue. Therefore, extension staff should cooperate with, not only their colleagues, but also other institutions' staff who are specialists in each working field in promoting the programs using special skills and knowledge of the target issues.

### (3) FURTHER STRENGTHENING OF LIVELIHOOD IMPROVEMENT

Livelihood improvement programs should be strengthened by extension staff, as well as policy-makers related to rural development to complement integrated regional and rural development in Sabah. The following measures are proposed to strengthen livelihood improvement programs.

- a) to study further lessons learned from livelihood improvement in rural Japan, and apply it to rural development projects in Sabah in harmony with local knowledge.
- b) to re-strengthen extension workers of the DOA and the KPD staff as a specialist for livelihood improvement with support of the core-trainers of the Pilot Project 7, local consultants and Japanese experts.
- c) to establish a training course for livelihood improvement, which programs include, home economics, kitchen work, clothing, housing, public health and extension methods, in collaboration with related institutions and local consultants.
- d) to prepare and upgrade training modules and materials for livelihood improvement in response to the lessons learned from rural development projects in Sabah.

### **10.3.2 FACILITATING SKILLS**

Facilitating skills accumulated by extension workers for livelihood improvement in rural Japan were confirmed to contribute to rural development in Sabah through the lessons learned from the verification survey in this study.

#### (1) FINDINGS FROM THE PILOT PROJECTS

In general, rural women in Sabah were pressed for time in their daily life with activities such as agricultural production, temporary economic activity and housekeeping. Consequently, they had little time to spare for participating in the pilot project activities. At the same time, extension workers had limited know-how on facilitating skills in rural development due to the deficiencies of the training system as well as the training modules and materials.

In view of this situation, extension workers and public officers related to rural development in Sabah participated in the training workshops programmed by Pilot Project 7 to learn about the extension activities together with the facilitating skills of Japanese extension workers that are useful to promote smooth implementation of the pilot projects, including workshops and group activities.

Pilot Project 1, Pilot Project 3 and Pilot Project 4 relied on the facilitating skills of the extension workers and public officers trained in the Pilot Project 7 to promote the positive participation of rural women and to empower their groups through group activities related to rural entrepreneurs. As a result, the following facilitating skills from Japan's experience in rural development were identified to be helpful for the extension workers in Sabah.

The Training Services Enhancement Project for Rural Life Improvement (TSEP-RLI) in the Philippines gave very positive impacts to the Sabah counterparts who participated in the study tour to the project; they were especially impressed by their facilitation skills and workshop organization.

The staff members of the TSEP-RLI had been trained by the JICA experts during the project-type cooperation period. The Sabah counterparts joined the envisioning workshop conducted by the TSEP-RLI staff in a village and learned a lot about presentation, group dynamics, participatory evaluation etc. After they returned to Sabah, they did incorporate what they learned into the pilot project activities.

## (2) ITEMS APPLICABLE FOR RURAL DEVELOPMENT IN SABAH

Facilitating concepts and skills based on Japan's experience as listed below were recognized to be effective and useful for rural development in Sabah by the participants in the Pilot Project 7 training workshops.

### **Key Characteristics of Facilitators**

In order to keep a close relationship with participants in rural development, including workshops and group discussions, the following characteristics are important for facilitators.

- a) to have a warm personality with the ability to show approval and acceptance for the participants.
- b) to pay attention to socio-cultural considerations with the ability to bring the group together and control it.
- c) to have a teaching manner that utilizes their ideas as well as the skills of the participants.
- d) to have a capacity to build institutions for accumulation of human resources and smooth logistical arrangements.
- e) to notice and resolve the participants' problems.
- f) to be enthusiastic to put the ideas across to others in an interesting way.
- g) to be flexible to respond to participants' changing needs.

- h) to have knowledge of the subject matter.

### **Basic Rules of Facilitating Skills:**

Facilitators should adhere to the following basic rules in order to minimize confusion and misunderstandings, as well as inappropriate and time-consuming discussions in the meeting.

- a) to explain objectives clearly and make sure the participants follow them.
- b) to create an atmosphere of welcome in the discussion.
- c) to conduct discussion logically.
- d) to respect each participant.
- e) to pay attention to every participant and avoid uneven participation.
- f) to divide the participants into small discussion groups so as to take a closer look at issues and to boost individual participation.

### **(3) FACILITATING SKILLS FOR RURAL WOMEN'S AWARENESS**

Facilitators should arouse rural women's interest in rural development in consideration of the following factors for promoting active participation in a project/program, especially in the initial stage of the group activities.

#### **Motivation factors**

- to arouse the interest, not only of rural women, but also their families, and delight them.
- to enable the activities to be carried out by any family, including the poor
- to be close to their daily life.
- to become a place of liberation from rural restrictions for rural women.
- to become a place where group members are able to confide about anything, including their anxieties.

#### **Technical factors**

- to explain clearly for participants to carry out easily.
- to select an activity which is simple, yet new, especially in the initial stage.
- to enable participants to carry out activities by independent work and/or individual technique.
- to make sure individual capacity and techniques are improved.

#### **Financial factors**

- to structure activities to cost little money, so they can be undertaken with what rural women have.
- to enable the procurement of necessary materials from nearby.

### **Time factors**

- to enable the participants to see the results in a short period of time.
- to enable the participants to do the activities in the agricultural off-season.

### **Family relationship factors**

- to enable the participants to bring back a present made during the activity for establishing a good relationship with the family.
- to enable the participants to carry out the activities without much cooperation from family members, and yet arouse the interest of her family.
- to be recognized as a good person by local people as well as their families.

### **Beneficial factors**

- to add impact on agricultural production as well as daily living.
- to enable the participants to create cash income and/or save household money, even if only a small amount.

### **(4) FURTHER STRENGTHENING OF FACILITATION SKILLS**

Facilitating skills should be strengthened by extension workers, as well as core-trainers, serving for a long period. In addition to that, the following measures are proposed to strengthen the facilitating skills for complementing extension activities in rural development in Sabah.

- to study further lessons learned from Japanese facilitating skills, and applying them to the current skills in harmony with local knowledge.
- to establish training courses for facilitating skills in a series of training modules for extension activities in rural development, in collaboration with the related institutions and local consultants.
- to periodically upgrade training modules and materials for facilitating skills in response to the lessons learned from rural development projects in Sabah.

### **10.3.3 LESSONS OF AGRO-TOURISM PROMOTION**

Sabah State Government has a policy of promotion of Tourism Industry by full use of natural resources such as mountain, sea, rainforest and river. Development of tourism industry has been growing favorably although the international crisis of security caused by the terrorism and infectious diseases affected the tourism industry for a short time. Besides, the agro- tourism is regarded as a potential industry in rural areas of Sabah. MAFI and the other related agencies consider that the agriculture and rural ethnicity will attract the attentions of tourists or urban people. The PUANDESA taskforce team selected the potential target area of agro-tourism as a Pilot Project. (Please refer to Pilot Project No. 6).



PUANDESA taskforce team also planned and carried out the seminar of agro-tourism under the Pilot Project No. 11, and “The Japanese experience of agro-tourism” was introduced by Japanese experts of BBEC. The participants of the seminar was very impressed by presentation and considered if they could utilize the lesson and learned of Japanese Experiences to the agro-tourism in Sabah.

#### (1) BACKGROUND OF AGRO-TOURISM IN JAPAN

Agro-tourism in Japan has been developed influenced by the socio-economic situation. After the Second World War, the Japanese agricultural sector was facing a crisis of declining farmer population and agricultural land. It had spread to the decline of village activities and a decrease in food self-sufficiency. The percentage of farmers, which was 80% of the total population in the year of 1870 became 40% in 1970, and then 10% in 2000. People over 65 years old represented 30% of the population in rural areas in 1995 and some of the villages were as high as 60%. Decrease in food self-sufficient dropped to about 60% in 1995 because of the change of eating habits from rice to bread. The rice consumption, which was 150kg/year/person in 1960, dropped to 75.8kg/year/person in 2002. Villages had been struggling against depopulation, increase of aged people and a decline in village cultural activities.

The government reformed and mechanized agriculture, however, the result was not sufficient. The Government realized that unless the villagers’ make their own effort, the farm villages would not have a positive future. They encouraged both farmers and urban people to think about the nature and agriculture of the future in Japan. Agro-tourism was one of the strategies for giving them an opportunity to realize the importance of nature and agriculture. In this sense, it is a useful lesson for Sabha. The Japanese experiences of the agro-tourism both at the initial and later stages are rather similar to what has been taking place in Sabah.

#### (2) TRADITIONAL TYPE OF AGRO-TOURISM

The farmers started agro-tourism from the fruit gardens for self-harvest and home stays. The parents living in urban areas take their children to enjoy hands on harvesting. Activity of harvesting is very refreshing for children since they seldom see the fruit trees and do not know how they bear fruits. It is good for children and youth to learn about agriculture and nature by staying on the farmland and in farmers’ houses. The home-stay program has been functioning as a school of education as well.

### (3) NEW TRENDS IN AGRO-TOURISM

Recently, farmers have been promoting a “fruits/crops ownership system”. Their goal became not only to harvest the fruits and crops but also to teach the whole process of agriculture. For example, urban families exchange contracts of ownership with the farmers and ask the farmers to take care the fruit trees. They come to the farmland to see the flowers of the fruits, to cover the immature fruits with sacks and to harvest them. In case of paddy, they come to the fields for seeding, weeding and harvesting. They bring the harvest back home and distribute it to neighbors with the story of the cultivation. They enjoy activities in rural areas and become conscious of the entire process of bringing agricultural product to supermarkets.

The results of agro-tourism for visitors are:

- to enjoy agricultural activities.
- to enjoy the atmosphere of farm land surrounded by nature.
- to learn the process of cultivation of agricultural products.
- to learn function agriculture in the ecosystem.

At the same time, the farmers have benefits, which are:

- to earn cash income other than selling products.
- to feel worthwhile when they see families enjoying the farming process.
- to use the manpower of visitors for farmer’s busiest seasons.
- to ensure a positive village life in future.
- to attract a new generation to the farming business and village life.

The activities of agro-tourism have been diversifying to sports, volunteering, animal watching, handicraft making and etc. This is to say that agro-tourism is full of the experience of rural life, nature, culture and exercise.

### (4) APPRECIATION OF AGRO-TOURISM TO SABAH’S RURAL DEVELOPMENT

In order to encourage agro-tourism, the government and public sector come up with supporting systems and regulations. The Japan Green Tourism Association has been playing a role to form a network among private farms, agricultural cooperative associations, local government, semi-governmental agencies and NGOs. It also issues certifications of green tourism instructor, forest instructor and nature guide. It is necessary for Sabah to form a network connecting the private and public sector more closely in order to promote and develop agro-tourism.

### 10.3.4 LESSONS OF THE "ONE VILLAGE ONE PRODUCT" MOVEMENT

#### (1) DIFFERENCE BETWEEN THE "ONE VILLAGE ONE INDUSTRY" IN SABAH AND IN JAPAN

The government of Sabah introduced the "*one village one industry*" policy in 1996. Each local government, which is mainly the district office, is required to choose their original industry. They nominated an agricultural product and insisted that be original in the area. For example, the one product of Bufort District is citrus; in Kota Marudu it is maize. The government thought that it was too small to monopolize a product in a village since there were more than 3000 villages in Sabah. The villagers would complain if the next village would fix the products and announce it as if the other village should not select the same product. The "*one village one industry*" was introduced as a tool to avoid competition in the same field by means of fixing a monopolized production area. It seems better to fix a product by district. The slogan was very similar to the Japanese "*one village one product movement*" but the concept was totally different. The major different points are as follows;

- "Movement" is the most prominent word among the words of the slogan in Japan, but there is no mention of a movement in Sabah.
- The potential products come up from villagers in Japan, but they are fixed by the government in Sabah.
- "One Product" means "at least one" in Japan, but "One Industry" in Sabah looks like monopolizing the industry to avoid competition.
- The Japanese movement is to encourage villagers to create new things, but in Sabah it is to designate and extant industry.

The Study Team from Japan was surprised because of the opposite concept of the rural development policy. To ensure that development policy is modified according to the situation, the Study Team considered that the Japanese "*one village, one product movement*" is more suitable than Sabah's *one village one industry*, in particular for rural development. By using this occasion, the Study Team introduces the concept of the Japanese "*one village, one product movement*".

#### (2) OUTLINE OF "ONE VILLAGE ONE PRODUCT MOVEMENT" IN JAPAN

The "*One village one product movement*" was started in Oita, Japan in 1979. The purpose was empowerment of villages by encouraging them to create something special in that area, instead of having negative mindsets caused by

disadvantageous conditions. When a governor at that time visited to observe villages, he always heard about negative problems from rural folks; i.e. road conditions were bad, schools were bad. He thought that this region would not become wealthy if people were weeping all the time. In other words, this movement was not for a physical purpose but for a mental purpose.

“*One village one product movement*” emphasized the following principles.

### **Think Globally, Act Locally**

It is important to create products that are accepted by both Japan and the world market in keeping with originality and locality.

### **Self-reliance and Creativity**

Rural folks decide which product in the “*one village one industry*” movement should be grown. It stipulates that they have the alternative to select two (2) products in a village, or one (1) product in two (2) villages. The government supports them in the field of technical transfer and market promotion.

### **Human Resources Development**

The supreme goal of the “*one village one product movement*” is human resources development. If there are no farsighted leaders in the region, the movement would not accomplish to the goal. It is significant to enlighten creative leaders who will challenge anything they encounter.

### **(3) LEARNING FROM THE CASE**

The “*One village one product movement*” was introduced to many countries, such as Thailand, the Philippines and Cambodia. The former Governor of Oita Prefecture was awarded a prize of Magsaysay in 1995. The movement is expanding from Japan to the other countries of Asia, and even to Africa. They have been making networks in order to stimulate each other. Lessons available for Sabah are as follows:

- to review “*one village one industry*” from the original point of view.
- to discuss the concept of “*one village one industry*” in Sabah.
- to organize a committee for “*one village one industry*” for monitoring.
- to continue the movement under the slogan of “Practice, Empower and Continuation.”
- to form a network with the other countries’ “*one village one product movement*.”

## CHAPTER 11: ACCOMPLISHMENT OF TECHNOLOGY TRANSFER

The JICA Study Team gave priority to knowledge and technology transfer throughout the two-year implementation of the Study. The knowledge and technology transfer aimed at capacity building of the counterpart members of the related agencies in planning, implementing, monitoring and evaluating the supporting programs and projects for rural women entrepreneurs. The tasks which created the biggest impact were i) planning and implementation of the pilot projects and ii) production of the Master Plan.

### 11.1 TARGET GROUPS AND MAJOR ACTIVITIES

The direct target groups of the technology transfer, who worked with and were directly trained by the JICA Study Team, were:

- (1) 12 members of the Steering Committee (see Appendix-1).
- (2) 34 members of the Technical Committee (see Appendix-1).
- (3) 131 members of the pilot project taskforce teams (see Appendix-1).

The total number of the target group members is 177 persons; some members belonged to two or more of these target groups; such as the Technical Committee, or the task forces of the pilot project 1, 2 and 7. When excluding these repeated members, the target groups include 59 persons. The major activities of the knowledge and technology transfer and the main target group of each activity was as follows:

	<b>Steering Committee</b>	<b>Technical Committee</b>	<b>Task Force Teams</b>
(1) Planning and supervising of the entire Study process	Main target		
(2) Assessment of the supporting program		Main target	Target
(3) Household questionnaire survey		Main target	Target
(4) Information gathering on women entrepreneurs		Main target	Target
(5) Creation of the Master Plan framework		Main target	Target
(6) Pilot project formulation, prioritization and planning		Main target	Target
(7) Implementation, monitoring and evaluation of the pilot projects			Main target
(8) Holding of an evaluation conference	Target	Target	Main target
(9) Updating of the Master Plan	Target	Main target	Target
(10) Preparation of the Final Report	Target	Main target	Target

## 11.2 OUTCOME OF THE KNOWLEDGE AND TECHNOLOGY TRANSFER

### 11.2.1 STEERING COMMITTEE

**12 members of the Steering Committee** worked with the JICA Study Team to supervise the entire Study process. They were the members of the pilot project 11 as well. Most of them were directors, deputy directors or general managers of the related agencies.

Through supervising the Study progress and joining the seminars of the pilot project 11, which provided information about Japan's policies and experience in rural development, they have come to understand the importance of the bottom-up approach and the gender issues considerations for sustainable rural life improvement. As the decision makers of the related agencies, **they have become supportive of the PUANDESA Master Plan**; this will greatly contribute to the smooth and efficient implementation of the Master Plan.

### 11.2.2 TECHNICAL COMMITTEE

The JICA Study Team transferred knowledge and technology to **34 members of the Technical Committee**. They were division heads or unit chiefs who were handling the support programs for the rural women entrepreneurs in the related agencies. They were the members of the pilot project 8; they monitored and supervised all of the pilot projects. The members of the Technical Committee belonged to one or more of the pilot project task forces.

They experienced all of the project cycle steps of the pilot projects: project formulation; detailed planning and budgeting; implementation; monitoring; and evaluation. During the formulation of the pilot projects, they learned the PCM (Project Cycle Management) planning method and prepared the project profiles and the project design matrixes (PDMs) together with the JICA Study Team. After formulating several pilot project plans, they prioritized and selected the projects for the verification survey according to the criteria which they had chosen in advance. Through these activities, they understood the importance of the bottom-up approaches and the gender considered approaches as well as the concept of the project cycle management.

After completing the pilot projects, they worked with the JICA Study Team to update the Master Plan and the Action Plans. Based on the lessons learned from the pilot projects, they discuss the needs and potentials of the target groups of the

rural women entrepreneurs and the supporting agencies at the planning workshops and prepared the detailed action plans, which were to be included in the Action Plans. The Technical Committee members learned how to update the plans based on the lessons as well as completed the Master Plan and the Action Plans.

What the Technical Committee created during the PUANDESA Study is expected to become **the foundation for the practical permanent coordination body of the PUANDESA Master Plan.**

### 11.2.3 PILOT PROJECT TASK FORCES

#### (1) GENDER TASK FORCE

The task force teams of the pilot projects 1, 2 and 7 had the same members. They were called the “*Gender Task Force*” during the Study. The *Gender Task Force* had 10 members and was formulated in the very early stage of the Study to gather information on the rural women and the rural women entrepreneurs in Sabah through the questionnaire survey and the workshops. They were unit chiefs or staff members who were engaged in extension activities or human resources development in their own agencies.

**The 10 members of the *Gender Task Force* were trained in planning and conducting of awareness and motivation workshops with the rural women, facilitation skills and gender consideration and analysis. In order make them more capable and confident instructors of facilitation skills and participatory methods, further training should be provided. They will play a key role in training of extension workers and gender issues training in the PUANDESA Master Plan.**

Through the pilot project 7, **24 extension staff members** were trained in facilitation skills and participatory and gender issues approaches by the *Gender Task Force* and the JICA Study Team. Among the 24 trainees, seven (7) were from DOA, seven (7) from KPD, five (5) from DOF and others are from YUM, JHEWA and KPLB.

They have come to realize the importance of the participatory approach to change the way of thinking and attitudes of the rural women, which increases the impacts and sustainability of the projects. **The trainees are expected to become leaders of the extension staff members in their own agencies;** however, they need more

understanding and practical training in facilitation skills and technology transfer skills when working with the rural women entrepreneurs efficiently.

## (2) HANDICRAFT TASK FORCE

**The total number of nine (9) members** belonged to the task force teams of the pilot projects 3 and 9. From the JICA Study Team, they learned the concept of the utilization of the unused resources and the steps how to lead the rural women to produce some agro-related products utilizing locally available materials.

During the one-year pilot project implementation, the members from the different handicraft related agencies worked together and exchanged information. They realized the importance of the coordination to avoid the duplication of their activities and to utilize limited local resources. They are now trying to collect the comments and ideas from the rural women entrepreneurs who produced handicrafts through the questionnaire survey by themselves.

**They have established a platform to work together and will continue to hold regular meetings** to share the information. This will contribute to the improvement of the quality of the Sabah-bland handicrafts and to the expansion of the market.

## (3) FOOD PROCESSING TASK FORCE

Through the pilot project 4 of the seaweed culture project, **nine (9) members** worked together with the JICA Study Team. Most of the members were from DOF and some from KPD. They already had expertise and experience in seaweed culture projects; however, they had limited experience in working with the women in the fishing villages. This was because all of the existing projects targeted the families of the fishing villages; which meant their direct target groups included men.

They learned how awareness and motivation of the target groups, as well as business management training, were important for implementing of effective and sustainable projects in addition to the skills training for seaweed culture and harvesting. **They are expected to focus more on awareness and motivation workshops and social preparation activities** in the micro fishery-related projects in collaboration with the capable extension staff members from the related agencies.

It is expected that the target groups of the knowledge and technology transfer of the Study, including the Steering Committee, the Technical Committee and the



pilot project task forces, will play a key role to realize and promote the PUANDESA Master Plan based on what they learned through the on-the-job training during the Study. This will greatly contribute to the enhancement of the rural women entrepreneurs and then to the advancement of the rural women status in Sabah.

#### (4) MARKETING TASK FORCE

**16 members** were trained in marketing skills through the pilot projects 5 and 6. Most of the members were from KPD and the others were from KPLB, PKKM, District Office, etc. They were unit chiefs or the staff members of the related agencies who were responsible for challenging the market expansion of the agro-related products of the target groups.

They worked with the JICA Study Team in i) conducting of the household questionnaire survey to understand the current living conditions and business trends of the farmers, rural women entrepreneurs, traders and consumers; ii) the tourism survey to understand the possibilities of the agro-tourism in Sabah; iii) the demonstration and the marketing survey at KPD Tamu to comprehend the consumers' needs; and iv) planning and conducting of the food handling training courses for rural women entrepreneurs.

Based on the experience during the pilot projects, they need to be more positive and creative to think of how to make existing agro-related products marketable and/or how to develop a new product to meet the market needs. A new system should be introduced to encourage and make full use of their expertise to guide the marketing activities of for the rural women entrepreneurs. **They are expected to be human resources to provide the technical consultation for the rural women entrepreneurs** and assist them in planning and conducting of a project to expand the market.

#### (5) INSTITUTION AND FINANCIAL TASKFORCE

Steering Committee members and Technical Committee members, which were parts of institution and financial taskforce, understood the importance of gender-oriented Master Plan through the Study as mentioned above.

The taskforce member of Pilot Project No.10 planed restructuring plan of service for rural women, encourage the staffs to participate computer training course and gender consideration training course and etc.

### 11.3 COUNTERPART TRAINING IN JAPAN

During the Master Plan study, there were opportunities to invite counterparts to the training courses in Japan. An outline of each training course is shown in Table 11-1. These training experiences in Japan were very helpful for them to understand the consultation conducted by JICA Study Team.

**Table 11-1 Outline of the Training Courses in Japan**

Schedule	Counterpart	Training Course
Jan. 1 <sup>st</sup> 2002 - Jan. 9 <sup>th</sup> 2002	Ms. Nemy Salmah Binti Ontol (Human Development Supervisor, KPD)	<u>Individual Course</u> : A counterpart was invited to Japan for exchanging the initial ideas of the Master Plan Study and for confirmations of the inception report. She visited several sites of rural development projects in Japan for clear understanding of the Study.
Sep. 2 <sup>nd</sup> 2002 - Nov. 17 <sup>th</sup> 2002	Ms. Adeline Chee (Executive Officer, Rural Development Division, KPD)	<u>Group Course</u> : “Empowerment of Rural women, 2002” The course introduces the experiences and methodologies for the empowerment of rural women in Japan. The participants from the developing countries study the sample cases of empowerment and discuss how the cases could be applied in their own countries.
Jun. 25 <sup>th</sup> 2003 - July 9 <sup>th</sup> 2003	Mr. Hj. Mohd. Dandan Hj. Alidin (Deputy Director, DOA) Mr. Hj. Mohd Dos Ismail (Deputy General Manager, KPD) Ms. Hjh. Subiah Hj. Laten (Deputy Director, JHEWA)	<u>Individual Course</u> : The course concentrated on visiting the sites of livelihood extension workers, “One village, one product” project and Michi-no-eki since these fields of Japanese experience held valuable information for the Master Plan Study in Sabah, Malaysia. The senior officers from Sabah learned the policy of rural development in Japan.
Sep. 25 <sup>th</sup> 2003 - Nov. 20 <sup>th</sup> 2003	Ms. Hjh Dayang Rayanih Hj. Ag. Hamit (Head of Farm Family Development Unit, DOA)	<u>Group Course</u> : “Empowerment of Rural women, 2003” Since this course was considered as effective for counterparts in charge of the empowerment of rural women in Sabah as well, another key person attended this course.

## **CHAPTER 12: COMPLETION OF THE MASTER PLAN**

### **12.1 NEEDS OF THE RURAL WOMEN ENTREPRENEURS**

Based on the results of the situation analysis and the lessons learned from the pilot projects, especially from the pilot projects 1, 3, 4, 5 and 6, the needs of the rural women entrepreneurs, when using the cluster of the Study, can be summarized as follows:

#### (1) RURAL WOMEN OF CLUSTER 1

The rural women of Cluster 1 have already started and grown their business to a certain level. They are interested in expanding their business to outside of their communities or even outside of Sabah.

What we learned from the experience of the pilot projects 5 and 6 is that they need information and training in business planning, new product development, marketing, financial management, information technology etc. However, it is difficult for them to access practical training courses to meet their needs. This is because attendance fees are too expensive; training contents are not practical; or the day-time training is difficult for them to attend because they have to run their businesses. No official market information or statistical data of Sabah or the outside of Sabah are available for their business planning.

Even when they have a business plan or idea which they want to realize or when they have some constraints which they need to solve, there are no consultation services to provide them with any practical information or advice. Additionally, it is difficult for them to accumulate the initial cost for their business plan; they need more funds than the loans that YUM can currently provide.

They have other information needs. They want to share the business information and experience with other entrepreneurs; however, there is no network for the women entrepreneurs established. They can communicate only with the rural women entrepreneurs in their nearby villages.

#### (2) RURAL WOMEN OF CLUSTER 2

The rural women entrepreneurs who belong to Cluster 2 are the ones who already started a business, however, they could not sustain or grow their business.

The experience of the pilot projects 5 and 6 told us that their needs were almost the same as the ones of the Cluster 1 women entrepreneurs. They need

information and training. Food handling, quality control, marketing, production skills and business management are listed among the topics of their main concern.

These practical skills are indispensable to improve their product and service quality. There are some training courses available; however most of them do not meet their needs. Some training courses are too advanced or not realistic for the rural women entrepreneurs. The training courses do not teach them how to practice the skills with their available resources in the rural communities.

Networking of the rural women entrepreneurs is beneficial for the Cluster 2 entrepreneurs, also.

### (3) RURAL WOMEN OF CLUSTER 3

The rural women entrepreneurs of Cluster 3 started their business in the villages that were located relatively far from the urban areas.

Based on the findings and lessons of the pilot projects 4, 5 and 6, they also suffer from lack of information and training. Food handling, quality control, marketing, production skills and business management are listed among the topics of their main concern. Their accessibility to information and training are limited.

In some villages, rural women entrepreneurs produce some handicraft or food processing products with good potential. However, they can not improve the quality of their products or create something new based on their current products. Or even if they have some good skills, it is often difficult for them to produce enough quantity of products with the required quality level.

Visits of the extension workers may improve their accessibility to the technical resources. Establishment of a network for the rural women entrepreneurs will greatly contribute to their business improvement, also.

### (4) RURAL WOMEN OF CLUSTER 4

The rural women entrepreneurs of Cluster 4 have not started a business yet, although they have good accessibility to the market and to the supporting programs.

It is necessary to lead them to form a group, to think positively and to start a micro project or business to improve their living environment, which was learned from the pilot projects 1, 3 and 4. Awareness, motivation, leadership and group formation workshops might be necessary for them and then practical consultation

to start a micro business will be useful. To increase their accessibility to micro finance services is also required.

Visits of the extension workers may improve their accessibility to the technical resources. Establishment of a network for the rural women entrepreneurs will greatly contribute to their business improvement, also.

#### (5) RURAL WOMEN OF CLUSTERS 5 AND 6

The rural women belonging to Clusters 5 and 6 live in the isolated villages. The Cluster 5 rural women have some intent to start a business but they have not started yet. The Cluster 6 women have never had such intent.

Through the implementation of the pilot projects 1 and 3, both of these Clusters were found to have similar problems and potentials. They do passive thinking. Their attitudes such that they are always waiting for something coming from the outside and nothing happens.

They need be guided and trained to form a group, to discuss what the available resources are in their communities and what they can do to utilize them, and to plan and realize a micro plan and project. Once they realize their potentials and become confident and when they have good leadership, they have enough capability to conduct some agro-related business by themselves.

More effective visits of the extension staff members with good facilitation skills are required. At the same time, the JKKK members, who are always with the rural women entrepreneurs in the communities, need to understand and support their activities and to assist them in obtaining necessary information to start and to expand a business.

#### (6) SUMMARY OF RURAL WOMEN'S NEEDS

The findings and lessons learned from the pilot project implementation of each Cluster are summarized in Table 12-1.

**Table 12-1 Findings and Lessons Learned from the PUANDESA Pilot Projects**

<b>Findings and Lessons Learned</b>
<b>Rural Women of Cluster 1:</b>
<ul style="list-style-type: none"> <li>- They need information and training in business planning, new product development, marketing, financial management etc. to grow their businesses; however the available programs do not meet their needs.</li> <li>- They need good consultation services to grown their businesses.</li> <li>- There are only limited opportunities for them to get funds and to realize their aspirations even if they have a good idea for a new business or product.</li> <li>- No official market information or data/statistics in Sabah are available for their business planning.</li> <li>- They need to have access to the information regarding the external markets such as in Sarawak, in the peninsula or in the other neighboring countries.</li> <li>- No information exchanges are available among the rural women entrepreneurs.</li> </ul>
<b>Rural Women of Cluster 2:</b>
<ul style="list-style-type: none"> <li>- They need information and training in food handling, quality control, marketing and production skills to improve their product and service quality.</li> <li>- They have access to the information and the supporting programs; however the available programs do not meet their needs or opportunities are still limited.</li> </ul>
<b>Rural Women of Cluster 3:</b>
<ul style="list-style-type: none"> <li>- They need information and training in food handling, quality control, marketing and production skills to improve their product and service quality.</li> <li>- They have limited access to information, supporting programs and markets.</li> <li>- Their products often need to be improved to meet the market needs qualitatively and/or quantitatively.</li> </ul>
<b>Rural Women of Cluster 4:</b>
<ul style="list-style-type: none"> <li>- They need information and training in how to start a business and how to utilize the supporting programs.</li> <li>- Their access to information, training and funds is relatively good; however, they have limited access to funds to cover their initial cost.</li> <li>- Lack of motivation, leadership and market information is another problem.</li> </ul>
<b>Rural Women of Cluster 5 and 6:</b>
<ul style="list-style-type: none"> <li>- Rural women of Cluster 5 and Cluster 6 have faced almost the same problems and constraints.</li> <li>- They have passive thinking and attitudes and need be trained to know their own potentials such as awareness, motivation, group formation etc.</li> <li>- Their access to information, training and funds is very limited. They have difficulty in accessing the market.</li> <li>- They need to utilize their traditional skills and locally available materials.</li> </ul>

### (7) TRAINING NEEDS

Based on the experience and lessons from the pilot projects mentioned above, it is obvious that the rural women's needs for training and information are high, although the contents and the levels of their training needs are different depending on the Clusters to which the rural women entrepreneurs belong.

Their training needs and the current conditions of the training courses provided by the related agencies can be summarized as in Table 12-2.

**Table 12-2 Rural Women Entrepreneurs' Needs and The Current Training Courses**

Rural Women Clusters Most in Need of Training Type	Training Type	Current Availability of Training Courses	
		Agencies and/or Persons in Charge	Rural Women's Accessibility
Clusters 4, 5 and 6	Training Type 1: Awareness and Motivation Training	DOA PKT Extension Staff KPD	Rural women's access to awareness and motivation training is very limited.
	Training Type 2: Basic Production Skills Training	DOA PKT Extension Staff  Extension Staff of DOA, DOVSAI, DOF, KPD and KEMAS	Basic training for the production skill has been conducted in food processing, handicraft making, tailoring, animal husbandry etc. But the training contents are decided by the top-down approach.
Clusters 2 and 3	Training Type 3: Quality Control, Packaging and Marketing	FAMA, MARDI Ministry of Health	Accesses are limited and the contents not suitable for rural women.
Clusters 1, 2 and 3	Training Type 4: Managerial Courses	YUM, KPD FAMA, MARDI	Accesses are limited and the contents not practical.
	Training Type 5: Consultation	YUM, KPD	Currently not provided.
Cluster 1	Training Type 6: Information Technology	JHEWA, IDS	Limited access

## 12.2 REQUIREMENTS FOR THE RELATED AGENCIES

Through the technology transfer during the Study and the implementation of the pilot projects, the following were observed as the important issues that need to be improved by the related agencies.

- (1) The coordination function of the pilot project 8 has been strengthened; however it is necessary to create **a permanent coordination body** authorized by the Ministry of Agriculture and Food Industry, Sabah to implement the PUANDESA Master Plan.
- (2) The *Gender Task Force* during the pilot project implementation needs to continue to function as the instructors' team of facilitation skills and participatory approaches. However, the one-year on-the-job training through the pilot projects 1 and 7 were not good enough for them to obtain the practical instruction skills. **This instructors' team needs further training** in order to provide the proper training for the extension staff members.
- (3) Based on the situation analysis and the pilot project 7 training, the extension staff members of the related agencies, who have been trained in the individual modules such as agricultural production, farming, cooking, food processing, sewing, business planning, management, accounting etc., have limited skills to convey the proper messages or the necessary skills to the target groups of the rural women entrepreneurs. They have knowledge and expertise; however, they can not transfer the skills to the target groups effectively or they can not motivate the rural women to do positive thinking. **The facilitation skills of the extension staff members need to be improved** and they have to understand and introduce participatory approaches into their extension activities.
- (4) **The system to assist rural women entrepreneurs to sell their products and to expand the market need be activated**, which was observed in the pilot projects 5 and 6. Some staff members of KPD, DOA or YUM have knowledge and expertise of marketing; however, they have limited practical experience in conducting a survey or doing actual businesses. The training courses of quality improvement, marketing, business planning, management, accounting etc., which are currently provided by the related agencies, are limited. At the same time, the related agencies do not provide consultation



services for rural women entrepreneurs, who want to expand their business, who have any problems, or who have a new business idea. The related agencies do not assist the rural women entrepreneurs in networking their activities or do not provide any market information regarding the state of Sabah or outside of Sabah for the public.

- (5) For the rural women entrepreneurs, micro finance services are required to cover their initial cost and operation cost. This was observed in the pilot projects 3, 5, 6 and 10. YUM has provided helpful services for them. However, the YUM funds have been reduced because neither the federal government nor the state government provides the funds currently. The micro financing system of the related agencies should be reconsidered. Not only improving the management system, which was done through the pilot project 10, the **YUM services need to be reviewed** to improve its organization structure, financial sources and responsibilities.

### **12.3 RESULTS OF THE PILOT PROJECT AND COMPLETION OF THE MASTER PLAN**

The results of the Pilot Projects were taken into account while formulating the Master Plan as outlined in the Table 12-3 on the next page:

**Table 12-3 Master Plan Based on the Verification Survey**

Strategy	Result of the Verification Survey Through the Pilot Projects	Adjustment for MP
Awareness	① By using the participatory approach, rural women were encouraged to think among the members, discuss aspects with each other, analyze the problems and independently carry out small scale projects. This confirmed that they have the potential to have self-reliability and forwardness.	
Production skill	② By utilizing unused resources such as grass and waste materials, rural women learned how to produce paper, candles, salt, and so on. They enjoyed the creativity of producing original products. The extension staff also appreciated the importance of the surrounding rural environment. ③ The potential of rural women in terms of seaweed production was verified.	
Marketing	④ Through training in marketing for demand-oriented production, hygiene, and practical sales promotion, rural women realized the importance of marketing and creativity; the role of the government in this regard was verified.	
Related agencies	⑤ Extension staff learned the necessary facilitation skills and participatory methods required to guide rural women and achieve the results. It was confirmed that training of extension staff was effective in expanding the empowerment of rural women. ⑥ Implementation, monitoring and evaluation of the Pilot Projects through close collaboration of the Related Agencies were very effective in providing efficient support to rural women. It was strongly recognized that a network among agencies was important. ⑦ The policy makers recognized the importance of supporting the empowerment of rural women and the bottom-up system through the results of Pilot Projects and a seminar discussing similar experiences in Japan.	

#### 12.4 OBJECTIVES OF THE MASTER PLAN FORMULATION

Given the circumstances mentioned above, which impact on the rural women entrepreneurs and would-be-entrepreneurs in Sabah, this Master Plan was formulated with the following objectives:

- 1) To provide practical guidelines to the state government to promote rural women's income generation activities and to enhance their businesses.
- 2) To contribute to realization of an equitable access to and control over resources, information, opportunities and benefits of development for women and men in the rural communities.

#### 12.5 PLANNING PRINCIPLES

The Master Plan was formulated in accordance with the seven principles listed below. All five principles need to be considered during the implementation of the Master Plan and both the Action Plans.

**(1) To give importance to awareness and motivation of target groups**

Most existing projects do not spend enough time on awareness and motivation activities within the target groups, which has caused negative impacts on the effectiveness and sustainability of the projects. To make the target groups of rural women and community members understand why the project is necessary and prepare them for its implementation, it is necessary to carry out the awareness and motivation steps carefully.

**(2) To increase community members' understanding and support for rural women entrepreneurs through JKKK's participation**

Successful business cases of the rural women entrepreneurs tell that understanding and support of their family and community members are critical. The Master Plan gives a key role of the OSSC (One Stop Service Center) to the chairperson and the women bureau heads of the JKKKs, who are the community leaders, and trains them in facilitating rural women's activities. It is expected to contribute to strengthening JKKKs' support to the Master Plan and to improvement of the family and community members' understanding and support.

**(3) To promote practical market-oriented approaches**

Devising how to sell more of what rural women entrepreneurs produce is one of the critical parts in enhancing rural women entrepreneurs. There are only limited programs that can provide practical marketing ideas and skills for rural women entrepreneurs. The Master Plan will emphasize practical exercises and skills to better know market needs; to improve existing products, to create a new product; and/or to determine how and where to sell the products.

**(4) To utilize traditional skills and locally available materials**

This principle is important to create easy-to-start and sustainable approaches for women entrepreneurs with the limited financial resources of rural communities. A variety of traditional skills are available among rural women. Abundant local natural resources, which are currently unused for their business purposes, have potential for utilization as raw materials.

**(5) To apply bottom-up approach (participatory approach)**

The top-down approach is common in rural development projects in Sabah. In order to change the rural women's passive roles into aggressive and positive ones and to improve their ownership of the projects, it is necessary to practice a

participatory development approach by inviting target groups in each stage of the development project cycle; namely project formulation, planning, implementation, monitoring and evaluation.

**(6) To practice gender-considered and gender sensitive approach**

Gender analysis needs to be conducted in planning, implementing and evaluating the development projects to make them gender sensitive. This approach will improve the projects' sustainability, ensure men and women's equal access to and control over resources and benefits, and avoid giving rural women more burdens through project implementation.

**(7) To ensure the commitment of the related agencies and to strengthen their collaboration**

There are many agencies involved in the efforts for enhancing rural women entrepreneurs. It is required to ensure the leadership and commitment of the related agencies as well as the coordinated activities which were established during the PUANDESA Study.

## **12.6 TARGET AREA**

The target area of the Master Plan covers the entire state of Sabah, Malaysia.

## **12.7 TARGET GROUPS**

The target group for the Master Plan covers all rural women who are engaged in agro-related activities in Sabah, including those who have already commenced income generation activities and those who have not yet commenced.

The target groups for the Action Plans are:

- 1) rural women as the direct target group of the "Action Plan for the Rural Women" and as the indirect target group of the "Action Plan for MAFI and the Related Agencies."
- 2) the Ministry of Agriculture Food Industry, Sabah and related agencies including DOA, KPD, DOF, DOVSAI, YUM, EPU, KPLB, JHEWA, PKKM, SPS, STB, IDS, FAMA, MARDI, KEMAS, YS etc. as the direct target group of the "Action Plan for MAFI and the Related Agencies."

## 12.8 GOALS AND EXPECTED OUTPUT

The Development Goal (refer to Table 12-4) is the direct target of the Master Plan and is expected to be achieved by 2010. The Development Goal's achievement is to lead to the attainment of Mid-term Goals by 2015, the target year of the next state development plan. The Long-term Goals are to be accomplished by achieving the Development Goal and the Mid-term Goals by 2020, the target year of the national development policy "Vision 2020". The Development Goals of the Master Plan and the Action Plans in addition to the Mid-term and Long-term Goals of the Master Plan are outlined below:

**Table 12-4 Goals of the Master Plan and Action Plans**

<b>Master Plan Long-term Goals (with the target year 2020):</b>	
<ol style="list-style-type: none"> <li>1) Advancement of rural women's status and their active participation in decision-making;</li> <li>2) Sustainable and harmonized development in the rural communities; and</li> <li>3) Reduction of the disparity between the rural area and the urban area through enhancement of economic activities in the rural area.</li> </ol>	
<b>Master Plan Mid-term Goals (with the target year 2015):</b>	
<ol style="list-style-type: none"> <li>1) Rural women's empowerment and their being recognized as equal partners of men; and</li> <li>2) Improvement of the living conditions of rural households and the living environment of rural communities.</li> </ol>	
<b>Development Goals (with the target year 2010):</b>	
<b>Master Plan Development Goal</b>	"The rural women's income is to be increased through rural women's active participation in economic activities, which will increase the rural household's income."
<b>Action Plan Goal for Rural Women</b>	<ol style="list-style-type: none"> <li>1) The rural women are to have equal access to resources including materials, information, skills, government programs and funds to develop and expand agro-related income generation activities; and</li> <li>2) The rural women entrepreneurs are to have more confidence and to increase their competence to improve the quality of their products and services to meet the market needs.</li> </ol>
<b>Action Plan Goal for MAFI and Related Agencies</b>	<ol style="list-style-type: none"> <li>1) MAFI and DOA, KPD, YUM, DOF, JHEWA, KPLB, PKK M and DOVSAI are to function and be recognized by the rural women as a key agency for enhancing rural women entrepreneurs equipped with effective resources of personnel for planning, technical guidance and extension, information, training, consultation and funds;</li> <li>2) MAFI and the related agencies including DOA, KPD, YUM, DOF, DOVSAI, KPLB, JHEWA, PKK M, SPS, STB, IDS, FAMA, MARDI, KEMAS and YS are to strengthen their collaboration and linkage and to fulfill their technical and financial commitment to provide practical and easy-to-access systems to support rural women; and</li> <li>3) The policy makers and officers of MAFI and the related agencies are to understand the important role of rural women, gender consideration and bottom-up approaches and to apply it in their daily duties.</li> </ol>

## **12.9 ACTION PLANS OF MASTER PLAN**

### **(1) Action Plan for Rural Women**

In order to achieve the above targets, the Action Plan for Rural Women consists of the following four major actions and proposes various detailed project plans including training programs:

- Action 1: Training and workshops will be held to lead rural women to undertake more positive thinking and to raise awareness and motivation. These will motivate and support them to form groups and start businesses.
- Action 2: A “one stop service center” will be established in each village by deploying existing village leaders (JKKK chairpersons and women bureaus).
- Action 3: The PUANDESA Entrepreneurs’ Training Program will be established to motivate rural women entrepreneurs and assist them to develop strategies and approaches for their own businesses.
- Action 4: The PUANDESA Network will be established to promote the networking of rural women entrepreneurs’ activities.

### **(2) Action Plan for MAFI and Related Agencies**

The Action Plan for MAFI and its related agencies sets out four major actions and proposes detailed project plans for capacity building of extension officers and institutional strengthening.

- Action 1: Improve the training system for extension officers and implement training courses.
- Action 2: Build the capacity of KPD TAMU to strengthen the PUANDESA Network.
- Action 3: Improve the effectiveness of the YUM Micro-Credit Services for Rural Women by introducing computers and holding technical training seminars for YUM staffs to contribute to the YUM registered members.
- Action 4: Establish a permanent coordination body under the MAFI and publicize the PUANDESA master plan so that the master plan is implemented effectively and coordination among the related agencies is enhanced.

The Master Plan and the Action Plans were created by the Sabah counterpart members and by the JICA Study Team and are shown in Volume I of the PUANDESA Final Report.