



PROJECT DOCUMENT
The Maldives

Project Title: Sustainable Economic Empowerment and Development for SMEs (SEEDS)

Project Number: TBC

Implementing Partner: UNDP

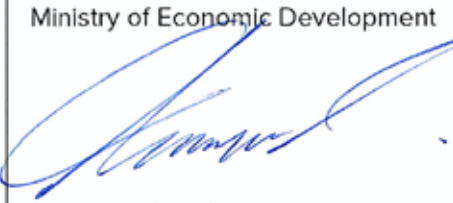


Start Date: June 2020

End Date: March 2021

PAC Meeting Date: TBC

Brief Description

The overall goal of the project is to provide economic rehabilitation in order to mitigate the negative impacts of the COVID-19 crisis in the Maldives. The project has the objective of increasing agriculture production and promote food security through an approach of building entrepreneurship amongst farmers and creating a new generation of agri-businesses that are innovative, productive and practices environment friendly agriculture. The project intends to demonstrate agri-businesses as a potential source of productive urban employment for young women and men who have limited employment prospects in the aftermath of the crisis. The project has three outputs. The first output focuses on increasing food production capacity through support to new and existing agricultural entrepreneurs in two regions of the Maldives – Laamu Atoll and Greater Malé Region. This includes starter kits, agri-business incubation programme for young/new generation urban farmers and digital tools for farmers. Priority will be given to households that have been directly affected by the COVID-19 crisis. Priority will be given to those who are not employed and or out of the labour force – this includes unemployed young women and men who are available and are actively seeking employment, persons with disabilities (PWDs) who are typically considered out of the labour force because there are no employment opportunities available to them and women who are seeking to earn an income but may not be able to do full-time salaried work. The second output will provide institutional capacity development of the newly established a state-owned enterprise that has been set up in response to the crisis to increase yield and mitigate food shortages. The third output includes technical support and capacity to the Business Center Corporation of the Government of Maldives to conduct support services for MSMEs to adapt to the new normal. The project will be implemented with the Ministry of Economic Development, Maldives Fund Management Corporation (MFMC), the Agro National Corporation (AgroNat), the Business Center Corporation (BCC) and Housing Development Corporation (HDC) and the Ministry of Fisheries, Marine Resources and Agriculture (MoFMRA), the Maldives Polytechnic.

Contributing Outcome (RPD):		Total Resources Required:		US\$1,449,360	
Indicative Output with Gender Marker: GEN1		Total Resources Allocated:		Programme Resources	\$1,278,095
				GMS	\$102,248
				GPN	\$69,017
Agreed By (Signature) Ministry of Economic Development  Ismail Fayyaz Minister of Economic Development		Agreed By (Signature) Ministry of Fisheries, Marine Resources and Agriculture  Zaha Waheed Minister of Fisheries, Marine Resources and Agriculture		Agreed By (Signature) United Nations Development Programme in Maldives  Akiko Fujii Resident Representative	

I. DEVELOPMENT CHALLENGE

COVID-19 has spread rapidly to almost every corner of the world. With the majority of countries in pre-surge (i.e. small number of reported) and surge (i.e. new infections rising) phases, an urgent global response across the health, development and humanitarian dimensions is needed. As a global pandemic that threatens to deepen inequalities and undo progress on sustainable development and humanitarian responses more broadly, COVID-19 is already devastating individuals, families, communities, economies and infrastructure.

The Maldives is a Small Island Developing State (SIDS) with a Middle-Income Country (MIC) status. It is amongst countries in the high human development category (Maldives' HDI value for 2018 was 0.719). However, key vulnerabilities and inequalities affect the country's ability to achieve the ambitious Sustainable Development Goals (SDGs) and development. The population of 400,000 is sparsely spread across 187 inhabited islands. This makes quality service delivery challenging and costly. Inequalities based on spatial disparities, income, age, disability and gender have persisted despite an impressive growth trajectory. The Multidimensional Poverty Index (MPI, 2019) data for the Maldives show that almost one third of the population is multidimensionally poor. This is higher for girls, the elderly, persons with disabilities and those living in some parts of the atolls. As one of the lowest lying countries in the world (over 80% of the land area of Maldives is less than one meter above mean sea level), climate change is an existential threat. Recently, 62% of all inhabited islands and 45% of tourist resorts reported severe beach erosion. Climate stresses negatively impact livelihoods, particularly those of women who depend on natural resources. The ongoing pandemic has exposed the economic vulnerability and food insecurity of the Maldives due to the economy's overdependency on tourism and due to high dependency on imports (90% of food items consumed in the country are imported). The tourism sector contributed to 28% of GDP in 2018. Indirectly, the sector contributes to more than 70% of GDP.

The Maldives was expected to grow at 7.5% in 2020.¹ Given the exposure of the tourism sector and the overall economy to the current crisis, the Maldivian economy is expected to contract significantly in 2020. The latest forecasts by the Ministry of Finance show that GDP is expected to decrease in the range of -11.5 to -29.7% in a worst-case scenario where country is unable to open up the economy for tourists throughout the year.² The World Bank estimates the Maldives to be hit most severely in South Asia due to high exposure to industries most vulnerable to the outbreak. The ADB publication '*Economic Impact of the COVID-19 Outbreak on Developing Asia*' shows that Maldives amongst the top 3 countries in the Asia region to be hardest hit by the global crisis.³ Maldives Inland Revenue Authority⁴ reported a 59.6% drop in total revenue compared to the previous year. The impact on employment, businesses and household is expected to be significant. With the shutdown of all tourism accommodation establishments throughout the country, the employment of 45 thousand resort workers are affected as majority have been put on 'no pay' leave for the next three months. Businesses in the tourism value chain and businesses operating in local islands and cities have been temporarily closed and are facing multiple challenges to sustain themselves. Households that do not have a salaried employee of the state are likely to be vulnerable with their income sources disrupted.

¹ Annual GDP Growth Forecast, MMA.

² Impacts of COVID-19 on Maldivian Economy and Government Revenues and Response Measures, Ministry of Finance, Government of Maldives

³ The Economic Impact of the COVID-19 Outbreak on Developing Asia, ADB Briefs, Asian Development Bank

⁴ <https://edition.mv/news/16695>

The capital Malé and adjacent islands Hulhumalé and Villingili, which forms the Greater Malé Region, is the population hub of the country and has been the epicentre of the crisis. According to the 2014 Census, 32% of the resident population lived in the Greater Malé Region⁵. The urban population is estimated to increase due to constant positive migration rate to Malé by families seeking better education, healthcare and job prospects. Population projections show that if internal migration continues at its current level, by 2030, the urban population of Maldives would exceed that of the rural population. The urban centre is characterised by overcrowded living conditions including that of migrant population, road congestion, high food and rent prices, high rates of youth unemployment and concentration of various criminal activities.

Government response

The first positive cases of COVID-19 emerged in the Maldives on 7 March 2020. The cases were imported cases that originated in tourist resorts and since then confirmed cases increased moderately. The first case of community transmission emerged in the capital Malé on 15 April 2020 and the cases have been multiplying since then. Confirmed cases have emerged from other atolls while the epicentre of the current community outbreak continues to be the capital, Malé. As of 7 June, seven deaths have been reported and confirmed cases have surpassed 1,094.

The government responded swiftly to contain the community transmission and raised alert levels to red (Level IV) and imposed a lockdown starting from 15 April. The President of the Maldives established the National Taskforce on Resilience Building and Economic Recovery to identify solutions to the short- and medium-term impact of COVID-19. The government's economic recovery efforts hinges on the following strategies.

- a) Economic relief for businesses and unemployed.** The immediate response strategy of the Maldives centred on providing income support for those affected by unemployment or pay cut (a monthly benefit of MVR5,000 has been announced) coupled with relief support for businesses. The support for businesses is conditioned with maximum employment retention and includes low-interest loans (as working capital). Companies gaining revenue of MVR10 million or more can access working capital financing from Bank of Maldives (BML) at a 6% interest rate with a repayment period of three years. Companies with revenues lower than MVR10 million can access working capital loans from SME Development Bank (SDFC). Furthermore, a debt moratorium of six months by BML, SDFC, and Housing Development Finance Corporation has been announced to businesses and individuals with availed facilities other than overdraft facilities. SDFC has lowered interest rate to 4% for all SMEs and Agri-businesses. BML, in addition to announcing a moratorium of six months, has reduced repayment by 20% for the next six months. Interests charged will be simple, and not compounded.

- b) Public finance management.** This includes fiscal austerity measures, debt postponement negotiation, external resource mobilisation and exchange rate stabilization measures.

⁵ Although UNDP has the capacity to engage, when requested by governments, to strengthen resilient health systems, this will not be the focus of this project. Instead will complement government's request for procurement of PPE and other essential medical supplies via the Rapid Response Facility.

- c) **Sector specific strategies.** In response to the ongoing COVID-19 crisis and the issues with food supply disruptions, the government has decided to accelerate their plans to revive the sector to enhance revenues generated and address food security of the country. As such, 17 crops have been identified under the Import Substitution Programme to be produced at 44 islands dedicated for contract farming. The government called upon citizens to enhance farming efforts and guaranteed purchase at predetermined prices. Sparse land in islands could be used for farming free of rent for three years and a platform for farmers to market and sell their produce through the newly established Agro National Corporation has been enabled.

II. STRATEGY: THREE BY THREE

UN and UNDP Response in the Maldives

In line with the UN Framework for the Immediate Socio-Economic Response to COVID-19 which operationalizes the UN Secretary-General's report "*Shared responsibility, global solidarity; responding to the socio-economic impact of COVID-19*" and WHO report "*COVID-19 Strategic Preparedness and Response Plan*", and aligned with country-specific UN responses, UN Maldives prepared policy recommendations for the government for the immediate and short-medium term in order for the Maldives to ensure a human rights-based approach and that no one is left behind because of the pandemic and outlines immediate and short-term actions that the UN system on the ground can enact in support of government efforts.

UNDP's offer is about safeguarding progress made on the SDGs. UNDP's programme framework is anchored in a **three-pronged approach** to support countries in responding concomitantly across the pre-surge, surge and recovery phases, with a focus on vulnerable populations and those left furthest behind. **Prepare:** UNDP will support countries to strengthen their health systems, including by helping them procure essential medical supplies, use digital technologies and ensure health workers are paid. **Respond:** UNDP will support a whole-of-government and whole-of-society response by working across key sectors to slow the spread of the virus and to provide protection for vulnerable populations. **Recover:** UNDP will support countries to assess the social and economic impacts of COVID-19 and undertake take urgent recovery measures, especially for poor and marginalized groups.

UNDP's response is consistent with WHO's "*COVID-19 Strategic Preparedness and Response Plan*" and is aligned with country-specific UN responses led by the Resident Coordinator and WHO. Building on the on-going experience from COVID-19 support in the Asia-Pacific region, UNDP's experience in responding to disease outbreaks (e.g. Ebola, Zika, H1N1, SARS, MERS), and the knowledge and expert network in the respective regions, UNDP is globally providing support in the **three immediate priorities** detailed in Table 1 below.

Table 1: Priority areas identified for global response to COVID-19

<p>Output 1: Health systems strengthening to respond to COVID-19⁶</p> <p>Output 1.1: Procurement services of health products including personal protective equipment (PPE) and laboratory equipment/ Provision of non-medical requirements of health sector</p> <p>Output 1.2: Advisory support to governments, including ministries of health</p> <p>Output 1.3: Health care waste management</p>
<p>Output 2: Inclusive and integrated multi-sectoral crisis management and response</p> <p>Output 2.1: Support national and sub-national capacities for planning, coordination and crisis management</p> <p>Output 2.2: Safeguarding human rights and protecting vulnerable groups</p> <p>Output 2.3: Community engagement for prevention, response and social cohesion</p>
<p>Output 3: Addressing the human rights and socio-economic impacts of COVID-19</p> <p>Output 3.1: Meso-, macro- and micro-level socio-economic impact assessments</p> <p>Output 3.2: Policy and programme interventions to address the developmental impacts of COVID-19 and safeguarding progress towards the SDGs</p> <p>Output 3.3: Policy and legal advisory services</p>

⁶ Although UNDP has the capacity to engage, when requested by governments, to strengthen resilient health systems, this will not be the focus of this project. Instead will complement government's request for procurement of PPE and other essential medical supplies via the Rapid Response Facility.

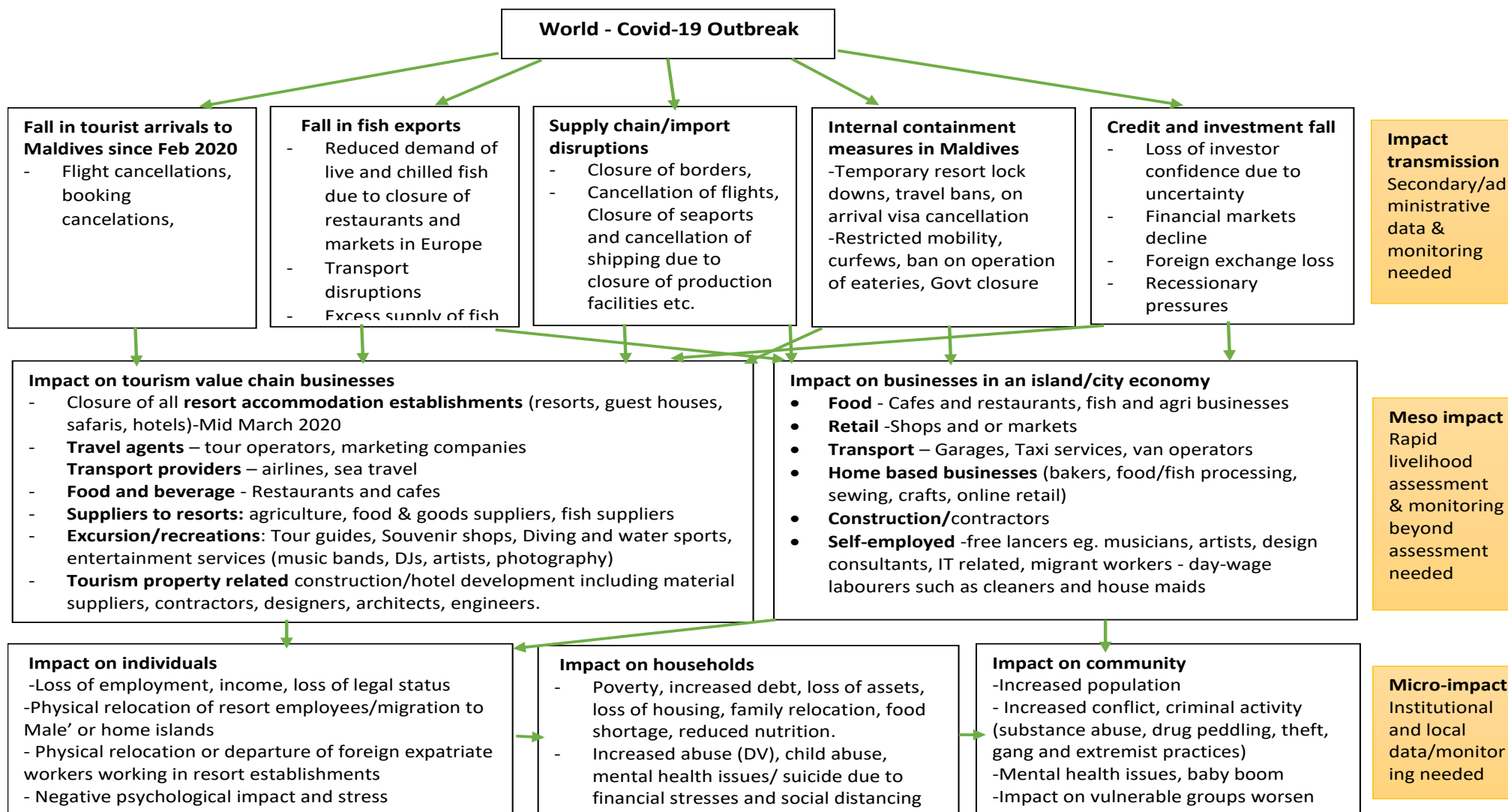


Figure 1: Socio-economic impact of COVID-19 on the Maldives

Project Background

The COVID-19 pandemic has exacerbated the vulnerability of the Maldivian economy as well as its food insecurity. Maldives imports over 90% of its food supplies. Fish is the only food source for which the country is self-sufficient. The agricultural sector remains under-developed with fragmented production and market systems. Contribution of this sector to GDP averages 1.3% through 2014-2018, and the share has declined due to increased productivity from other sectors. The overall share of GDP in the first three quarters of 2019 was at 1.2% and production numbers are similar to those of 2018.⁷ Commercial agriculture is mainly practiced by men and is dominated by high-value crops such as banana, papaya, chili, cucumber and pumpkin, mostly targeted to the resort market. Meanwhile, women largely practise subsistence agriculture, which is the main livelihood for rural agriculture-dependent populations. Subsistence agriculture, both in home gardens and to a limited extent, in plots outside of the home area, provides a variety of produce ranging from traditional starchy crops to fruits and vegetables, as well as being a source of vital non-food items such as timber and cordages. Given the geographic make-up of the country, food trade, storage and distribution play a critical role in the access and availability dimensions of food security.

In response to the ongoing COVID-19 crisis and the issues with food supply disruptions, the Government of Maldives has decided to accelerate their plans to revive the agriculture sector to enhance revenues generated and address food security of the country. As such, 17 crops have been identified under the Import Substitution Programme to be produced at 44 islands dedicated for contract farming. The government called upon citizens to enhance farming efforts and guaranteed purchase at predetermined prices. Sparse land in islands could be used for farming free of rent for three years and a platform for farmers to market and sell their produce through the newly established Agro National Corporation (AgroNat) of the Maldives Fund Management Corporation (MFMC) has been enabled. The Greater Malé Region being the main population hub of the country, the efforts towards food security would also explore urban farming as a concept, engaging new and young generation farmers.

III. RESULTS AND PARTNERSHIPS

1. Expected Results

The overall goal of the project is to provide economic rehabilitation in order to mitigate the negative impacts of the COVID-19 crisis in the Maldives. The project has the objective of increasing agriculture production and promote food security through an approach of building entrepreneurship amongst farmers and creating a new generation of agri-businesses that are innovative, productive and practises environment friendly agriculture. The project intends to demonstrate agri-businesses as a potential source of productive urban employment for young women and men who have limited employment prospects in the aftermath of the crisis.

In accordance with the three immediate priorities mentioned above, and linked to the two outcomes from the UNDP Maldives Country Programme Document (CPD):

Outcome 1: Citizen expectations for voice, sustainable development, the rule of law, and accountability are met by stronger systems of democratic governance.

⁷ Quarterly National Accounts – Quarter 3 2019, National Bureau of Statistics

Outcome 2: Growth and development are inclusive, sustainable, increase resilience to climate change and disasters, and contribute to enhanced food, energy and water security and natural resource management.

This project, entitled **Sustainable Economic Empowerment and Development for SMEs (SEEDS)**, will consist of three outputs listed below and are linked to outputs 2 and 3 of the global priority areas identified for COVID-19 response (see Table 1)

Aligned with UNDP's technical lead role in the UN Framework for the Immediate Socio-economic Response to COVID-19, UNDP is focusing on the social impacts of COVID-19 and its economic response and recovery. UNDP takes a human-centred approach, especially targeting the informal sector at low-wage workers, small and medium enterprises, the most vulnerable and those at risk of being left behind and that means social insurance and protection, preventing bankruptcies and job loss.

Output 1: Strengthen productive capacity and entrepreneurship in agriculture

This output intends to provide assistance directly to agri-entrepreneurs.

- **1.1. Provide a support package for at least 250 small-holder farmers in Laamu region.** This support package includes starter kits to small-scale producers to assist them in starting production and facilitating them to enter into contract farming with the government State-owned Enterprise (SoE), AgroNat. Laamu Atoll has been selected as it has agricultural land, farmers and exists as a single landmass. As all enabling infrastructure exists, this activity will serve as a pilot phase to test the contract farming process for the SoE and to stimulate immediate production and income for farmers. According to MFMC, six crops will be planned for three million ft² (28 ha) cultivation with 250 farmers.
- **1.2. Design and implement an urban agriculture incubation programme for young/new generation farmers in the Greater Malé Region.** This activity will be implemented by Housing Development Corporation (HDC) that will provide the land space and necessary infrastructure for the programme. The beneficiary group of the programme will be targeted for young women and men who experienced loss of income or unemployment due to COVID-19, in addition to persons with disabilities (PWDs). The programme will be designed and initially tested with at least 40 targeted beneficiary entrepreneurs. The incubation programme will include provision of support to target beneficiaries on scaling up small-scale production, reducing risks related to starting self-owned agricultural enterprises and managing finances and market products. It will also involve a shoulder-to-shoulder mentoring programme that connects new farmers with more established agriculture businesses in the Maldives. The latter could include existing commercial companies that are engaged in agriculture and/or experienced farmers from islands that have agricultural success. The incubation programme will also include a knowledge exchange component with successful projects implemented by the UNDP GEF Small Grant Programme (SGP). Once tested and implemented, the programme will be made open and online for any aspiring farmers and will be institutionalized through the Maldives Polytechnic. At the end of the programme, successful entrepreneurs will be provided with investor matching schemes and that would enable them to find the opportunities to develop and expand the venture. Global and regional partnership (South-South Cooperation) and technical partnerships with IFAD, JICA and FAO will be sought. Similarly, additional investment opportunities through ADB and IDB supported programmes for successful farmers will be sought.

- **1.3. Support digital entrepreneurs to promote e-agriculture and digital tools for agri-entrepreneurs.** This activity includes provision of funding to develop three mobile applications that won the innovation challenge award organized by MFMC. This includes development of three mobile applications, namely 1. *Naalu* app to monitor movement and scheduling of cargo boats for transport of produce, 2. *Dhanduveriyaa* app to promote networking amongst farmers and 3. *Kiyavaa*, an educational training app for farmers (see Annex 1).

Output 2: Strengthen the value chain integration and support services to farmers to enhance food security

This output intends to provide assistance to strengthen institutional capacity and support services of the newly established state-owned enterprise, AgroNat.

- **2.1. Establish an integrated online national planning system for food security** through the establish of a network enabling nationwide. The system would also facilitate collection and updating of data on producers, pricing, products, plots, sales, imports, etc.
- **2.2. Provide solar-powered post-harvest infrastructure (cold storage and chilling facilities) to enhance food security.** This is particularly critical infrastructure given the geographic set-up of the country and the absence of efficient sea transport networks.

Output 3: Strengthen institutional capacity of the Business Center Corporation (BCC)

This output intends to strengthen the capacity of the BCC to implement the following:

- **3.1. Establish a nationwide impact monitoring system of micro-small and medium enterprises** building on the rapid livelihood assessment carried out by UNDP and the Ministry of Economic Development. The online system and regular data gathering process will aim to better understand income losses and employment losses associated with any negative impacts on MSMEs.
- **3.2 Expand business support services to MSMEs through expansion of the business centres and support services.** This includes increasing the BCC's presence across the atolls, expanding business consultancy services for guiding businesses to adopt health and safety guidelines and adapting business operation to adhere to social distancing regulations. The outreach programme will include online training and webinars for MSMEs with business coaching on preparedness, contingency planning and business continuity planning for future disruptions. The programme will include lesson learning and knowledge transfer from large businesses to small and medium entrepreneurs.
- **3.3 Introduce opportunities targeting homebased workers and women-led entrepreneurs affected by the crisis.** This includes a marketing campaign for authentic Maldivian products of homebased women workers, facilitating co-working facilities in the 'new normal' for MSMEs in an urban region. Activities in this subcomponent will also support the scaling up of homebased work through packaging facility in addition to undertaking the feasibility for a sewing factory.

Table 2: Summary breakdown of the outputs by activity, output, budget and IP

Output	Activity	Budget (US\$)	IP	Linkage to Global Programme Outputs	
1: Strengthen productive capacity and entrepreneurship in agriculture	1.1 Provide a support package for at least 250 small-holder farmers in Laamu region	260,000	AgroNat/ MFMC	Output 3.2	E.g. livelihoods; employment; access to basic services; social protection; fiscal stimulus packages, cash transfer schemes; etc.
	1.2 Design and implement an urban agriculture incubation programme for young/new generation farmers in the Greater Malé Region	167,000	HDC and MoFMRA		
	1.3 Support digital entrepreneurs to promote e-agriculture and digital tools for agri-entrepreneurs	119,000	MFMC		
2: Strengthen the value chain integration and support services to farmers to enhance food security	2.1 Establish an integrated online national planning system for food security	120,000	AgroNat/ MFMC	Output 2.1	E.g. support to national and local multi-sectoral planning, coordination, programmatic and implementation support, including data/analytics for early warning and crisis management. Special emphasis will be on supporting the non-health ministries and government agencies, as well as the parliament in the response to COVID-19.
	2.2 Provide solar-powered post-harvest infrastructure (cold storage and chilling facilities) to enhance food security	240,000	AgroNat/ MFMC	Output 3.2	E.g. livelihoods; employment; access to basic services; social protection; fiscal stimulus packages, cash transfer schemes; etc.
3: Strengthen institutional capacity of the Business Centre Corporation (BCC)	3.1 Establish a nationwide impact monitoring system of micro-small and medium enterprises	24,267	BCC	Output 3.1	With particular focus on specific sectors in accordance to country-contexts and analysis of the gender dimensions of COVID-19 (e.g. livelihoods, employment, access to social services) with focus on the vulnerable groups).
	3.2 Expand business support services to MSMEs through expansion of the business centres and support services.	50,333	BCC	Output 2.3	Supporting the role of civil society organizations and the private sector (including business networks and SMEs) in the response to COVID-19, including strategic engagement of both in disaster risk reduction, emergency preparedness, response and recovery for COVID-19).
	3.3 Introduce opportunities targeting homebased workers and women led entrepreneurs affected by the crisis	237,400	BCC	Output 3.2	E.g. livelihoods; employment; access to basic services; social protection; fiscal stimulus packages, cash transfer schemes; etc.
Total		1,218,000			

Geographic and population targets

- The project will target assistance to families living in Laamu atoll and the Greater Malé Region.
- Priority will be given to households that have been directly affected by the COVID-19 crisis. This may be due to loss of income from closing down a family business or home-based business/informal work, loss of income because those employed in the family have been either laid off or given 'no-pay' leave.
- Priority will be given to those who are not employed and/or out of the labour force. This includes unemployed young women and men who are available and are actively seeking employment, persons with disabilities (PWDs) who are typically considered out of the labour force because there are no employment opportunities available to them and women who are seeking to earn an income but may not be able to do full-time salaried work.

Human Security Approach:

After reviewing a range of best practices, and in line with the General Assembly resolution 66/290, "*Human security is an approach to assist Member States in identifying and addressing widespread and cross-cutting challenges to the survival, livelihood and dignity of their people.*" It calls for "*People-centred, comprehensive, context-specific and prevention-oriented responses that strengthen the protection and empowerment of all people*". This project will ensure maximum impact and sustainability, in line with a human security and human rights-based approach throughout the project.



Figure 2 Map of the Maldives

- **People-centred:** The need for local ownership takes on added importance in the context of supporting tolerant institutions. UNDP's role must be, wherever possible, to support local initiatives, and to empower the local community as the central actors. UNDP programming must facilitate, assist, and enable these discussions and ensure inclusive dialogues with communities with attention to youth, women, and people with disabilities.
- **Context-specific:** UNDP encourages programming that is grounded, not in rhetoric or assumptions, but in hard data. The project builds upon the rapid livelihood assessment that was undertaken by UNDP providing evidence-based policy recommendations and actions. Thought is given to challenges at the individual-, community-, regional- and national-levels and ensuring UNDP's offer is both holistic and integrated. It will link with existing UNDP programming on youth empowerment and inclusion such as the '*Miyaheli*' - social innovation camps, national dialogues around youth entrepreneurship which are carried out under the regional Youth CoLab project, using behavioural approaches to increase girls' participation in STEM industry, promoting tolerant and inclusive institutions, building citizen trust and promoting nature-based economy and solutions.

- **Sustainability:** This project will respond to the needs of the government and its citizens and build on enduring partnerships, strengthen institutional capacity with strong business model to leverage investment capital and support inclusive institutions. All projects shall adhere to a pre-approved workplan, schedule and budget and will meet regular reporting deadlines. All activities should be completed within the 10-month timeframe and an exit strategy/sustainability plan in place beforehand.

2. Risks and Assumptions

Risk management:

The project risk log presented in Table 3 below incorporates the social, environmental, economic, programmatic and operational risks anticipated during project implementation. UNDP will record and monitor risks according to their assigned impact and probability, and report on the effective implementation of their associated mitigating measures.

Social and environmental safeguards:

UNDP will be responsible to monitor and implement any social and/or environmental safeguard measures necessary to ensure that the project execution follows the organisation’s “do no harm” policy and acts in accordance with applicable UNDP social and environmental policies. All project-affected stakeholders and beneficiaries can submit any grievances to their related Implementing Partner or directly to UNDP. UNDP CO will establish appropriate grievance resolution procedures for addressing any project-related social and/or environmental complaints and disputes, which will be monitored and reported through annual reporting mechanisms.

Table 3: Risk Log

Description	Type	Impact & Probability	Mitigating Measures	Owner
Social/economic: COVID-19 continues to spread, extending the lockdown, affecting government revenue and increasing expenditure to control the pandemic. Restrictions imposed are likely to impact project implementation.	High	P = 5 I = 5	Virtually coordinate project outputs requiring travel and ensure that social distancing measures are enforced to ensure safety of people involved in implementation.	
Programme: Delayed implementation, cooperation modalities or management/coordination issues.	Medium	P = 3 I = 4	Coordinate closely with Project Steering Committee and technical working group to meet regularly to review issues and anticipate any implementation challenges.	
Sector strategy/policies: New policies/regulations placed that could have an impact on programme implementation and activities.	Medium	P = 3 I = 3	Ensure close communication with relevant key stakeholder and government to ensure agreement on programme implementation and identify solutions	
Environmental: Unpredictability and variability of monsoon/weather may adversely affect planned timelines for crop harvest and yield, as well as	Medium	P = 3 I = 4	Plan for contingencies as much as possible including adjustments to the staggered harvest timelines for different crops, compensation for farmers and alternative transport arrangements where necessary.	

transport of produce from seller to buyer.				
Operational: Capacity of and maturity of set-up of implementing partners in financial and operational management (e.g. procurement, cash advances or transfers to grantees, etc.)	Medium	P = 3 I = 3	HACT assessment to mitigate potential risks and identify a capacity development plan.	

3. Stakeholder Engagement

Effective stakeholder engagement is one basis for achieving sustainable project implementation. With this regard, a wide range of relevant stakeholders have been identified and consulted during the initial stages of the project formulation. Various meetings were organized to discuss the project objectives, potential outcomes and outputs to ensure active participation and support. Specific discussions with the implementing partners and government stakeholders were carried out regarding the three project outputs, how they could be effectively implemented with technical support from various agencies and organizations. An exhaustive list of stakeholders, their roles and simple strategies for their engagement is summarized in Table 4 below.

Table 4: List of Key Stakeholders

Name	Role(s) in the Project	Participation Plan
Ministry of Economic Development	Steering Committee	Steering Committee meetings, consultation through emails/telephone
Ministry of Fisheries, Marine Resources & Agriculture	Steering Committee and technical input	Steering Committee meetings, consultation through emails/telephone
Ministry of Foreign Affairs	Steering Committee	Steering Committee meetings, consultation through emails/telephone
Ministry of Finance	Steering Committee	Steering Committee meetings, less frequent consultation through emails/telephone
Agro National Corporation	Implementing Partner	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Maldives Fund Management Corporation	Assistance to IP	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Business Center Corporation	Implementing Partner	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone
Housing Development Corporation	Implementing Partner	Working Group Meetings, bilateral meetings, very frequent consultation through emails/telephone

Name	Role(s) in the Project	Participation Plan
Laamu Atoll Council	Administrative and logistical assistance in project area	Bilateral meetings, frequent consultation through emails/telephone
Island Councils in Laamu Atoll	Administrative and logistical assistance in project area	Bilateral meetings, frequent consultation through emails/telephone
Maldives Association for Physical Disabilities	Technical advice on inclusivity	Bilateral meetings, consultation through emails/telephone
NGOs (GEF SGP Grantees)	Technical input and mentoring for young farmers	Bilateral meetings, consultation through emails/telephone
Agro-businesses	Technical input and mentoring for young farmers	Bilateral meetings, consultation through emails/telephone
Maldives Polytechnic	Institutionalizing the training content	Bilateral meetings, consultation through emails/telephone
Maldives National University	Assistance to Polytechnic	Bilateral meetings, consultation through emails/telephone
Japan International Cooperation Agency	Technical input	Bilateral meetings, consultation through emails/telephone

UNDP's communications efforts will generate donor visibility across multiple channels. The global communication strategy for COVID-19 will be developed and disseminated throughout the target countries and regions. The Government of Japan's (GOJ) contributions to COVID-19 will be highlighted through the most effective communications methods identified at country-, regional- and global-levels, focusing on **Japan's strong interest to help realize human security in the field**. An additional priority will be reporting on human interest stories, which aim at highlighting and connecting the implications of UNDP's work and the contribution of GOJ with the impact on people and communities.

In agreement with GOJ, JICA, The Global Fund to Fight AIDS, Tuberculosis and Malaria, World Bank and/or UN sister agencies relevant to the themes, particularly WHO, will be engaged in the proposed activities as well as potential South-South and Triangular Cooperation.

The project will ensure maximum possible collaboration with other UN Agencies in line with delivering as one. It will strongly collaborate with JICA and JOCV to ensure the success of the community outreach components. UNDP will collaborate closely with the Japanese Embassy in the Maldives to maximize linkages with their small grant scheme.

UNDP will closely consult with Japanese representatives to promote visibility of Japanese logos on public documents or displaying them at events. UNDP is keen to ensure Japan's contributions, with prior agreement, are given their proper acknowledgment. UNDP will ensure that a communication plan is in place for this project to highlight its progress and results.

IV. PROJECT MANAGEMENT

1. Cost Efficiency and Effectiveness

The project will ensure cost-efficient utility of resources:

- Using the theory of change analysis to explore different options to achieve the maximum results with available resources.
- Using a portfolio management approach to improve cost effectiveness by leveraging activities and partnerships with other initiatives/projects.

2. Project Management

The project will be implemented using Direct implementation Modality (DIM) managed from UNDP Maldives with operational support of the relevant Regional Bureau and Japan Unit, BERA. The Global Policy Network (GPN) will be fully utilized when appropriate and necessary.

A Project Steering Committee will be established and co-chaired by UNDP and MED. The Steering committee will be responsible for key decision making on project management, partnership collaboration and implementing strategies, reviewing the Annual Work Plan (AWP) and project reports (mid and annual). The Steering Committee will be held at least once within the timeline of the project period.

V. RESULTS FRAMEWORK

Applicable Outcome(s) from the UNDP Maldives Country Programme Document:

Outcome 1: Citizen expectations for voice, sustainable development, the rule of law, and accountability are met by stronger systems of democratic governance.

Outcome 2: Growth and development are inclusive, sustainable, increase resilience to climate change and disasters, and contribute to enhanced food, energy and water security and natural resource management.

Project Title: Sustainable Economic Empowerment and Development for SMEs (SEEDS)

EXPECTED OUTPUTS	OUTPUT INDICATORS	DATA SOURCES	BASELINE		TARGETS (by frequency of data collection)		DATA COLLECTION METHODS & RISKS
			Value	Year	MIDTERM	FINAL	
Output 1: Strengthen productive capacity and entrepreneurship in agriculture	1.1 Number of small-holder farmers contracted for farming in Laamu region	Contract documents with farmers, Project quarterly reports and final report	None	2020	At least 250 small holder farmers (including 100 women) contracted for farming by AgroNat	At least 250 small holder farmers contracted (including 100 women) for farming by AgroNat,	Project quarterly reports and final report, Stakeholder and beneficiary interviews
	1.2 Number of young/new generation agri-entrepreneurs incubated	Incubator participant registry, Project quarterly reports and final report	None	2020	At least 50 young agri-entrepreneurs incubated	At least 50 young agri-entrepreneurs incubated	Project quarterly reports and final report, Stakeholder and beneficiary interviews
	1.3 Number of e-agriculture tools developed	Project quarterly reports and final report	None	2020	Three e-agriculture tools available for farmers	Three e-agriculture tools available for farmers	Project quarterly reports and final report

Output 2: Strengthen the value chain integration and support services to farmers to enhance food security	2.1 Existence of an up to date national food security data and monitoring system	Project quarterly reports and final report	Does not exist	2020	Monitoring system exists with gender disaggregated data	Update to date, gender disaggregated data system	Project reporting, stakeholder interview
	2.2 Number of atolls benefitting from enhanced food security infrastructure	Project quarterly reports and final report	None	2020	At least 3 atolls benefit from food security infrastructure	At least 3 atolls benefit from food security infrastructure	Project quarterly reports and final report
Output 3: Strengthen institutional capacity of the Business Center Corporation	3.1 Existence of a database and monitoring system on MSMEs, with disaggregated data by island, region, gender, type of activity and documentation on impact and coping strategies	Project quarterly reports and final report	Limited data exists	2020	Complete and up to date data exists	Complete and up to date data exists	Project reporting, stakeholder interview
	3.2 Number of MSMEs benefitted from the outreach programme	Training participant registry, Project quarterly reports	None	2020	2,000 MSMEs, out of which at least 40% are women-led or women-owned businesses	2,000 MSMEs, out of which at least 40% are women-led or women-owned businesses	Project reporting, training registration
	3.3 Quantity of affected homebased workers including women with newfound economic opportunities.	Project reports and interviews of homebased workers	None	2020	50 homebased workers of which 60% is women	50 homebased workers of which 60% is women	Project reports, stakeholder interviews

VI. MONITORING AND REPORTING

UNDP will undertake monitoring and reporting on project activities in accordance with its Programme and Operations Policies and Procedures (POPP) for Project Management.

Monitoring missions will be undertaken in keeping with work plan to be developed for the project, at the planning stage.

Quarterly progress reports will be prepared, summarizing the progress of the planned activities as well as the challenges and issues to be resolved during implementation.

Final narrative report including an interim financial report will be prepared at the operational completion of the project. Final financial report will be prepared after financial closure of the project by following UNDP policy.

VII. WORK PLAN

Project Title:	Sustainable Economic Empowerment and Development for SMEs (SEEDS)				
Applicable Outcome(s) from the UNDP Maldives Country Programme Document:	Outcome 1: Citizen expectations for voice, sustainable development, the rule of law, and accountability are met by stronger systems of democratic governance. Outcome 2: Growth and development are inclusive, sustainable, increase resilience to climate change and disasters, and contribute to enhanced food, energy and water security and natural resource management.				
Expected Outputs	Planned Activities	Descriptions of Activities	Responsible Party	Budget Description	Budget Amount
Output 1: Strengthen productive capacity and entrepreneurship in agriculture	1.1 Provide a support package for at least 250 small-holder farmers in Laamu region	Design fund allocation process for farmers, finalise eligibility criteria, develop registration process, screen and select at least 250 farmers, identify target crops, distribute starter kits/grants and training material, monitor farming procedure.	AgroNat/MFMC	- Consultancy fees for design of support package and fund allocation process - Input supplies for farmers - Contracts for starter kits/grants	\$260,000
	1.2 Design and implement an urban agriculture incubation programme for young/new generation farmers in the Greater Malé Region	Design eligibility criteria for agri-business entrepreneurs, identify mentor farmers, develop application process, grant allocation process and implement agriculture incubation programme for 50 young/new generation farmers in the Greater Malé Region.	HDC	- Business incubation design consultancy fees - Training for participants - Contracts for participants	\$167,000
	1.3 Support digital entrepreneurs to promote e-agriculture and digital tools for agri-entrepreneurs	Design and develop 3 mobile applications to assist agri-entrepreneurs in networking, transport and movement of produce, and training and capacity building.	AgroNat/MFMC	- Consultancy fees for app development - App launching	\$119,000

Subtotal for Output 1					\$546,000
Output 2: Strengthen the value chain integration and support services to farmers to enhance food security	2.1 Establish an integrated online national planning system for food security	Develop information collection mechanism, register farmers, collect and update nationwide data on producers, pricing, products, plots, sales, imports etc.	AgroNat/MFMC	- Consultancy fees for development of data collection system - IT equipment and software - Virtual Trainings & Workshops - Data collection	\$120,000
	2.2 Provide solar-powered post-harvest infrastructure (cold storage and chilling facilities) to enhance food security	Identify locations, land, power and infrastructure requirements, develop specification for cold storage and chilling facilities, procure and deliver.	AgroNat/MFMC	- Cold storage equipment supplier - Solar-powered container Supply	\$240,000
Subtotal for Output 2					\$360,000
Output 3: Addressing the human rights and socio-economic impact of COVID-19	3.1 Establish a nationwide impact monitoring system of micro-small and medium enterprises	Develop an online system/web portal for data collection, understand impacts of income and employment losses on MSMEs.	BCC	- Consultancy fees for data collection framework - IT software developer fees - Trainings for BCs in data collection	\$24,267
	3.2 Expand business support services to MSMEs through expansion of the business centres and support services	Increase Business Centres (BCs), build capacity of BCC staff for business consultancy provision, conduct an outreach programme to MSMEs to adapt businesses in the 'new normal' context.	BCC	- Consultancy fees for content development and conducting of trainings - Information dissemination costs	\$50,333
	3.3 Introduce opportunities targeting homebased workers and women-ed entrepreneurs affected by the crisis	Conduct marketing campaign for Maldivian projects of women home-based workers, provide technical support for production facilities	BCC	- Consultancy fees for communication and promotional material development - Input supplies for entrepreneurs - Information dissemination costs	\$237,400
Subtotal for Output 3					\$546,000
Subtotal for Programme Outputs					\$1,218,000
Monitoring (field visits, M&E reporting)			UNDP		\$6,000

Project management costs (Project personnel, DPC Direct Project Costs (DPC), equipment, supplies, travel, audit, communications, trainings and workshops)	UNDP		\$54,095
Subtotal for Project Management Costs			\$60,095
Total Budget			\$1,278,095
GMS (8%)			\$102,248
Total JSB Allocation			\$1,380,343
Global Policy Network (5%)			\$69,017
GRAND TOTAL			\$1,449,360

VIII. PROJECT GOVERNANCE AND MANAGEMENT ARRANGEMENT

The overall accountability for implementing the resources according to the intention of the donor lies with the UNDP Resident Representative for the Maldives.

UNDP, as the responsible body for the management of the contribution, will oversee all technical aspects of planning and implementing project activities, fostering quality assurance, managing operational activities including procurement, finance, and human resources, while ensuring that operations adhere to UNDP ethics and accountability policies, principles and standards while enabling fast implementation within the given timeline within the range where UNDP can manage.

The financial contribution from the Government of Japan will be utilized in accordance with the budget stated in this project document under UNDP's Financial Rules and Regulations. UNDP will promptly inform the Government of Japan in case that major revisions on the project budget and activities are required, responding to unforeseen circumstances.

The strategic decisions proposed in this project document will be undertaken by the Project Steering Committee. The formulation, and roles and responsibilities include the following:

The Project Steering Committee will take corrective action as needed to ensure the project achieves the desired results. Additionally, the committee will also hold project reviews to assess the performance of the project and appraise the Annual Work Plan for the project. At the end of the project, the committee will hold an end-of-project review to capture lessons learned and discuss opportunities, if possible, for scaling up and to highlight project results and lessons learned with relevant audiences.

The Working Group consists of representatives from each of the project's key implementing partners. Meetings of the Working Group will be held on a monthly basis with the goal to ensure coordination among the stakeholders during project implementation. It also serves as a platform to represent the voice of stakeholders on topics relevant to the scope of the project and to ensure the implementation of project activities in line with the agreed project plan and approach.

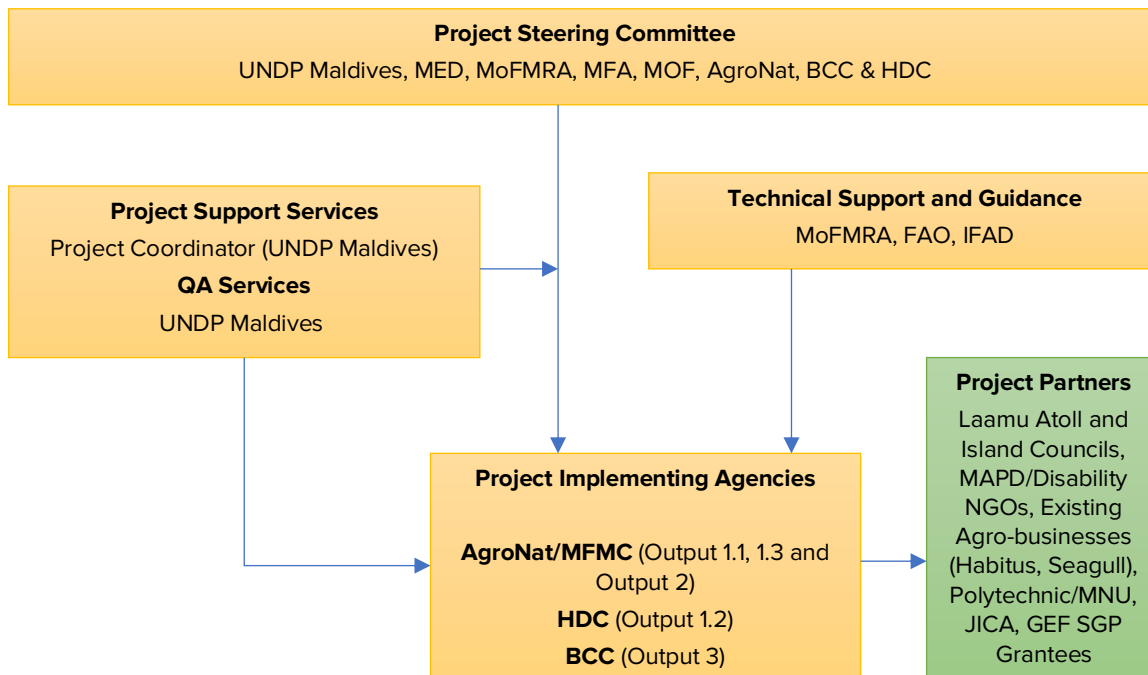


Figure 3 Illustration of the project’s governance structure.

IX. LEGAL CONTEXT

This project forms part of an overall programmatic framework under which several separate associated country level activities will be implemented. When assistance and support services are provided from this Project to the associated country level activities, this document shall be the “Project Document” instrument referred to in: (i) the respective signed SBAA for the specific countries; or (ii) in the [Supplemental Provisions to the Project Document](#) attached to the Project Document in cases where the recipient country has not signed an SBAA with UNDP, attached hereto and forming an integral part hereof. All references in the SBAA to “Executing Agency” shall be deemed to refer to “Implementing Partner.”

This project will be implemented by UNDP (“Implementing Partner”) in accordance with its financial regulations, rules, practices and procedures only to the extent that they do not contravene the principles of the Financial Regulations and Rules of UNDP. Where the financial governance of an Implementing Partner does not provide the required guidance to ensure best value for money, fairness, integrity, transparency, and effective international competition, the financial governance of UNDP shall apply.

X. RISK MANAGEMENT

1. UNDP as the Implementing Partner will comply with the policies, procedures and practices of the UNSMS.
2. Risk Analysis is provided in Risk Log below.
3. UNDP as the Implementing Partner will undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
4. Social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
5. UNDP as the Implementing Partner will: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
6. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.
7. UNDP as the Implementing Partner will ensure that the following obligations are binding on each responsible party, subcontractor and sub-recipient:
 - a. Consistent with the Article III of the SBAA, the responsibility for the safety and security of each responsible party, subcontractor and sub-recipient and its personnel and property, and of UNDP's property in such responsible party's, subcontractor's and sub-recipient's custody, rests with such responsible party, subcontractor and sub-recipient. To this end, each responsible party, subcontractor and sub-recipient shall:
 - i. put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
 - ii. assume all risks and liabilities related to such responsible party's, subcontractor's and sub-recipient's security, and the full implementation of the security plan.
 - b. UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of the responsible party's, subcontractor's and sub-recipient's obligations under this Project Document.
 - c. Each responsible party, subcontractor and sub-recipient will take appropriate steps to prevent misuse of funds, fraud or corruption, by its officials, consultants,

subcontractors and sub-recipients in implementing the project or programme or using the UNDP funds. It will ensure that its financial management, anti-corruption and anti-fraud policies are in place and enforced for all funding received from or through UNDP.

- d. The requirements of the following documents, then in force at the time of signature of the Project Document, apply to each responsible party, subcontractor and sub-recipient: (a) UNDP Policy on Fraud and other Corrupt Practices and (b) UNDP Office of Audit and Investigations Investigation Guidelines. Each responsible party, subcontractor and sub-recipient agrees to the requirements of the above documents, which are an integral part of this Project Document and are available online at www.undp.org.
- e. In the event that an investigation is required, UNDP will conduct investigations relating to any aspect of UNDP programmes and projects. Each responsible party, subcontractor and sub-recipient will provide its full cooperation, including making available personnel, relevant documentation, and granting access to its (and its consultants', subcontractors' and sub-recipients') premises, for such purposes at reasonable times and on reasonable conditions as may be required for the purpose of an investigation. Should there be a limitation in meeting this obligation, UNDP shall consult with it to find a solution.
- f. Each responsible party, subcontractor and sub-recipient will promptly inform UNDP as the Implementing Partner in case of any incidence of inappropriate use of funds, or credible allegation of fraud or corruption with due confidentiality.

Where it becomes aware that a UNDP project or activity, in whole or in part, is the focus of investigation for alleged fraud/corruption, each responsible party, subcontractor and sub-recipient will inform the UNDP Resident Representative/Head of Office, who will promptly inform UNDP's Office of Audit and Investigations (OAI). It will provide regular updates to the head of UNDP in the country and OAI of the status of, and actions relating to, such investigation.

- g. Each responsible party, subcontractor or sub-recipient agrees that, where applicable, donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities which are the subject of the Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Where such funds have not been refunded to UNDP, the responsible party, subcontractor or sub-recipient agrees that donors to UNDP (including the Government) whose funding is the source, in whole or in part, of the funds for the activities under this Project Document, may seek recourse to such responsible party, subcontractor or sub-recipient for the recovery of any funds determined by UNDP to have been used inappropriately, including through fraud or corruption, or otherwise paid other than in accordance with the terms and conditions of the Project Document.

Note: The term "Project Document" as used in this clause shall be deemed to include any relevant subsidiary agreement further to the Project Document, including those with responsible parties, subcontractors and sub-recipients.

- h. Each contract issued by the responsible party, subcontractor or sub-recipient in connection with this Project Document shall include a provision representing that no fees, gratuities, rebates, gifts, commissions or other payments, other than those shown in the proposal, have been given, received, or promised in connection with the selection process or in contract execution, and that the recipient of funds from it shall cooperate with any and all investigations and post-payment audits.
- i. Should UNDP refer to the relevant national authorities for appropriate legal action any alleged wrongdoing relating to the project or programme, the Government will ensure that the relevant national authorities shall actively investigate the same and take appropriate legal action against all individuals found to have participated in the wrongdoing, recover and return any recovered funds to UNDP.
- j. Each responsible party, subcontractor and sub-recipient shall ensure that all of its obligations set forth under this section entitled “Risk Management” are passed on to its subcontractors and sub-recipients and that all the clauses under this section entitled “Risk Management Standard Clauses” are adequately reflected, *mutatis mutandis*, in all its sub-contracts or sub-agreements entered into further to this Project Document.

Annex 1: Budget Descriptions

Notes:

GPN Technical Support: *The Global Policy Network (GPN) will be fully leveraged to support delivery/implementation of country-level activities. Relevant teams across the Bureau for Policy and Programme Support (BPPS), the Crisis Bureau (CB), Regional Bureaux and the Digital Office will work in an integrated fashion to support the development and implementation of each country proposal. Country proposals will be submitted and vetted by the Rapid Response Facility (RRF) Advisory Committee, ensuring alignment with UNDP's Integrated Response to COVID-19.*

Cost Recovery:

Direct Project Costs (DPC): *These are the organizational costs incurred in the implementation of a development activity or service that can be directly traced and attributed to that development activity (projects & programmes) or service. Therefore, these costs are included in the project budget and charged directly to the project budget for the development activity and/or service.*

General Management Support (GMS):

Fee to recover costs to UNDP that are in addition to direct project costs associated with managing the implementation of programmes. The GMS fee encompasses costs incurred in providing general management and oversight functions of the organization. These costs are incurred in support of its activities, projects & programmes, and services provided, that cannot be traced unequivocally to specific activities, project or programmes.

Implementation Support:

Activities in this sub-cluster of programme activities include operational and administrative support to projects in the following areas: a. Communications Unit staff time spent on communication of development results and outcomes in the context of specific development programmes and projects; b. Human Resources Unit staff time spent on the recruitment, selection, hiring, contracting, and/or contract administration of project personnel; c. Procurement Unit staff time spent on the procurement of goods or services on behalf of a project, covering the entire procurement cycle tasks, transport, storage, distribution, on-site receipting of goods, customs clearance, logistics, etc; d. Finance Unit staff time spent on undertaking direct project payment requests; e. Programme staff time and any other CO staff time spent directly on programme implementation and directly contributing to development results.

Annex 2 – Apps to be Developed by MFMC

1. Project name: *KIYAVA – The online learning platform*

Business Idea: KIYAVA is a platform and a way for the teachers to teach and students to learn different educational concepts online and understand them better. It will focus on Maldivian curriculum, based on the new key-stages and will prepare the students to sit in local and international exams.

The primary goal of KIYAVA is to connect the teachers and students across the country and help the students fall in love with what they learn. The teaching content is delivered to the students in various forms such as quizzes, exercises, visualizations and much more than just theoretical knowledge.

Why it is important: This can be adopted to reach a wide number of farmers to give specialist training by connecting farmers with the expertise to teach and provide technical knowledge. AgroNational will subsidise these training for our farmers and make it more widely available for farmers and hence make it more economical for service providers (teachers / technical experts) to provide the much-needed skill upgrading in Agriculture sector.

2. Project name: *Odiveriyaa – Digitalizing Naalu*

Business Idea: *Odiveriyaa - Digitalizing Naalu* is a digital solution which will simplify the lives of people around the Maldives by digitalizing all the little things that eat up a lot of time. By using this platform, end-users would be able to get to know the boat schedules and estimated arrivals and estimated departures. Furthermore, by using *Odiveriyaa*, business owners would be able to manage their stocks effectively. Moreover, this would a paperless, digital solution in maintaining *naalu* recordings for the boat owners, since by using these electronic digital recordings, they can do data analysis, leading them to get to know which destination is profitable for them in a particular season.

Why it is important: Agro National will depend on smooth and efficient transportation of the produce and we believe this automation process will prove to be more effective through access to a digitised schedule an estimated time on arrivals and departures.

3. Project name: *Dhanduveriya*

Business Idea: *Dhanduveriya* App we simplify your business by connecting farmers to consumers looking for fresh local produce right from the farm. low-cost purchasing for consumers with hundreds of farmers all selling together in bulk quantity. Join an expert group with advice & mentorship vital to growing agriculture business.

The *Dhanduveriya* App allows farmers to list their goods and track rates of emerging farmers inventories in real-time, as well as easy production forecasts. The App also contains a platform for group sourcing, where farmers can fulfil market demand and incoming orders. Allows customers to place orders directly from the farm from a range of products, customers can also pick and manage the suppliers there, display their invoices and monitor the inventory in real-time as well as future production schedules.

Why it is important: It would not be feasible option for Agro National to farm or enter contracts to farm the total food stock required for the whole country. We believe a private sector initiative like this with our support would help all other farmers and prove to be a game-changer for the Maldives farming business. This will make things more convenient, effective and timely for the local farmers and their families around the Maldives.

Annex 3 – Details of Output 3.3

The following provides a brief description of the project(s), major beneficiaries and the outcomes from the proposed projects.

"Buy Maldivian", "Authentic Maldives" brand promotion / campaign

Marketing campaigns such as “buy local”, “wear Maldivian” and “eat Maldivian” are to be conducted to promote domestic products with an emphasis on certain categories such as handicraft, local delicacies and clothing. While such campaigns itself might not affect the purchasing behaviour of consumers, complementary additions such as product packaging (Packaging Facility) and quality control (Product Certification Facilitation Unit) have the potential to affect the general perception that locally-made or locally-grown products could be of higher quality than foreign-made products, and thus increase the willingness to buy and pay for local products. These campaigns should be structured and well-organized and must be run in collaboration with government marketing agencies to ensure MSMEs are provided maximum exposure both locally and internationally.

Major beneficiaries: Local entrepreneurs, MSMEs, home-based workers, freelancers

Outcome: (1) Increased empowerment of local producers (2) Increased potential for export of Maldivian traditional art (3) Wider market reach for "Authentic Maldives" (4) Value addition for authentic local products

Exportability feasibility studies on possible Maldivian traditional unique art form

A technical feasibility on the exportability and marketability of the handicraft and unique traditional Maldivian products in the international market is to be conducted. The feasibility report and its recommendations would advise the government on possible export opportunities and would open doors to many MSMEs, especially female home-based workers and freelancers who are seeking an avenue to showcase and sell their products. Based on the feasibility study, we would formulate methods to handhold such enterprises through the export procedure and in finding a suitable market for them. Our planned packaging facility (detailed in the next point) in the South would be a crucial element in making exports of these products a success.

Major beneficiaries: Arts & crafts freelancers / handicraft workers, home-based workers

Outcome: (1) Increased empowerment of local producers (2) Increased potential for export of Maldivian traditional art (3) Value addition for local art products

Co-working space in Malé region

Offering non-intrusive environment is paramount to inspire creativity and innovation, and ideas flourish in the right environment – this is an opportunity few start-ups enjoy, especially in Malé region. While the start-up efforts are high in numbers, and while there is a large pool of freelance workforce, we aim to provide our highly individualised labour market an affordable commonplace to practice, brainstorm and develop ideas. A co-working space that is customised to cater for the demands of the Maldivian start up environment will be set up with an incubation facility. This would also give an opportunity for women entrepreneurs and start-ups to grow their ideas in a safer and more secure environment during their spare time.

Major beneficiaries: Social Entrepreneurs, Researchers, Students, Educators, Freelancers, MSMEs

Outcome: 30 people capacity for incubation and co-working space in Malé region at a concessional rate

Co-sharing kitchen in Malé region

Co-cooking spaces are gaining momentum around the world due to its effectiveness in its ability to help independent small-scale food producers grow their business. These commercial kitchens with fully equipped equipment would help small-scale food entrepreneurs share the cost with co-users

of the kitchen. This enables such entrepreneurs to enjoy the privilege of using a full-fledged kitchen at a minimal cost and create collaborating opportunities among such crowds. Most of the local delicacies are produced by female home-based entrepreneurs. The lack of space in the crowded Malé to set up a good kitchen is one of the major impediments such freelancers face at the moment. A licensed and an accredited childcare centre (or babysitting service) will also be set up on site to allow parents a worry-free and undisturbed business time.

We envisage a long-term solution being created from this establishment as it would make such community kitchens attractive for the private sector that might undertake such investments in future.

Major beneficiaries: Female freelancers, home-based workers, food entrepreneurs

Outcome: 20 people cooking space (fully equipped) in Malé region at a concessional rate

Packaging Facility

The importance of proper product packaging has always been undervalued and often overlooked by most MSMEs, and even large corporations in the Maldives. Quality product packing can go a long way in securing good first impressions in the wider market. While most occupations such as sewing, vegetable and fruit processing, rope weaving and making spice products are undertaken by female home-based workers, a packaging facility would be a value addition to their product, while increasing the possibility of such products reaching bigger markets such U.S., EU and China. The lack of a packaging facility in the country has been a major obstacle for small enterprises in marketing their products in the international market.

Major beneficiaries: Exporters, Food Entrepreneurs, Home-based workers

Outcome: (1) Quality product packaging (2) Greater potential to reach export market (3) Value addition to local products

Feasibility study for setting up a garment factory

Ready-made garment manufacturing is a lucrative industry with huge potential to generate substantial export earnings for developing countries such as the Maldives. Its contribution to the local production and employment opportunities, especially women, in countries where ready-made manufacturing bases are well established such as Bangladesh, Cambodia and Sri Lanka are significant. We propose setting up a garment manufacturing factory in the most Southern Atoll of the country, Addu, with the capability to produce school uniforms, sportswear, office wear and casual clothing for both the local and export market. We would request the Government of Maldives to impose restrictions on import of garment and apparel upon reaching expert quality and the desired production capacity and provide tax holidays for potential entrants for a specified period of time to encourage private sector to enter the industry.

The feasibility study for a garment factory would be undertaken in the next couple of months. This would create up to 350-400 employment opportunities for the women residing in Addu City and in other neighbouring Atolls (Fuvahmulah, Gaafu Dhaalu and Gaafu Alifu).

Major beneficiaries: Clothing industry, Designers, Brand-name apparel companies, people with sewing skills

Outcome: Increased potential for garment exports