



SE*HEBAT SARAWAK

A BLUEPRINT FOR THE SOCIAL ENTERPRISE LANDSCAPE WITHIN THE SARAWAK DIGITAL ECOSYSTEM

Unlocking the Potential of Sarawakian Social Enterprises

FOREWORD FROM THE DEPUTY PREMIER

Yang Berhormat Datuk Amar Awang Tengah Ali Hasan Deputy Premier of Sarawak & Minister to the Ministry of International Trade, Industry and Investment Sarawak (MINTRED)



"Sarawak could be a prime model in the country for which an SE could strive especially with our resources, cultural diversity and our strong sense of kinship. Additionally, Sarawakians have always been known for their passion and drive to develop their hometown. Thus, I encourage new and existing entrepreneurs to explore a different way in doing your business and how being an SE could be your next journey."

Social Entrepreneurship (SE) is a type of business model where instead of focusing on profit-making solely for the entrepreneur, their main goal is to create a positive impact towards their surrounding society while operating a business structure that ensures sustainability in the long run.

Apart from impact-making and being sustainable, an SE needs to adopt innovative solutions which requires them to think outside the box, particularly to diversify revenue streams while reinvesting profits for their social mission. SEs also rely heavily on the use of digital tools that enable them to function effectively and efficiently in line with the Sarawak Digital Economy Strategy 2018 - 2022. These characteristics of a social enterprise are what makes them stand out from a typical business venture and is a more favorable path to take by entrepreneurs who wish to give back to their communities.

A research done by British Council and The Economic and Social Commission for Asia and the Pacific (ESCAP) titled 'The state of social enterprise in South East Asia', stated that an estimate of up to 1,000,000 social enterprises are operating across Southeast Asia, working on diverse sectors of economy. Various policies and strategies have been developed by governments across Asia to support the development of social enterprise. Building a support ecosystem is paramount in certain countries that comprises of policymakers, enablers and capacity builders, networks, platforms and facilitators, membership bodies, funders and financers, and higher education – working together towards achieving a unified vision of creating a supportive landscape for social enterprises to thrive.

The launch of the Malaysian Global Innovation & Creativity Centre (MaGIC) in 2014, the Malaysian Social Enterprise Blueprint 2015–2018 and most recently, the Malaysian Social Entrepreneurship Blueprint 2030, clearly demonstrate the Malaysian government's active role in recognising and promoting social entrepreneurship.

As I mention time again, Small, and Medium Entrepreneurs (SME) is the backbone of Sarawak in propelling our state towards a High-Income State by 2030 in line with the Post COVID-19 Development Strategy 2030 (PCDS 2030). With the launch of the SE**Hebat* Sarawak blueprint, it will guide SMEs to identify whether their business falls into the category of SE or how they could embark their journey on being one. Apart from that, the blueprint also provides a directive and way forward for agencies of all sectors to craft their initiatives, and programs to better suit the current SE's landscape in Sarawak.

FOREWORD FROM THE CHAIRMAN

Tan Sri Datuk Amar Haji Mohamad Morshidi Ghani SDEC Chairman



"I believe that through this blueprint, we are able to create a supportive and dynamic ecosystem for Social Enterprises in Sarawak to thrive, thus I invite all sectors to participate in its realisation as this is not a vision achievable by the efforts of a few. Together we can build a better livelihood to all of Sarawak".

Small and Medium Enterprises (SME) accounts for more than 38% of the national GDP in Malaysia, with Sarawak being one of the six states with the greatest number of SME establishments across the country. The entrepreneurial spirit among Sarawakian is apparent from this figure, and this is further proven by the steady growth of current and new SMEs in the state each year.

Being one the key contributor to the states' economic growth, SME is also an excellent avenue to tackle unemployment rate in the country through job creation. We should also not overlook the potential of small businesses to address local issues, where in Sarawak are primarily on Inclusive Education, Poverty Alleviation, Health & Wellbeing, Environmental Sustainability, and the preservation of Arts & Culture. This can be demonstrated by Belanat – founded by a Penan woman, Puan Jonita from Kampung Long Nan – that sells traditional handcrafted and handweaved products made by the womenfolk in her community. This provides more economic opportunities to her fellow villagers who are otherwise limited in their capability to travel or commit to work, on top of promoting their cultural arts to buying tourists. It works like a ripple effect: the benefits the business generate can be propagated to other target groups.

Although SMEs were affected by COVID-19, many have demonstrated creativity and make use of innovative ideas to survive the pandemic. Particularly through digitalisation, their ability to be resilient in the face of adversity is further shown.

By leveraging on these qualities, SMEs must evolve beyond solely profit-making and look into becoming more impact-driven, a balance that is attainable by adopting a Social Enterprise model. Through Sarawak Digital Economy Corporation (SDEC) and our key partners, the state is committed to provide services that enable and catalyse the development of Social Enterprises such as business development & accelerator programs, research & product development, innovation spaces, industrial partnership, international market access and funding & investment. This goes hand in hand with achieving Economic Prosperity, Inclusive Society and Environmental Sustainability as envisioned in the Post COVID-19 Development Strategy 2030.

With these in mind, the SE**Hebat* Sarawak Blueprint aims to support the growth of Social Enterprises in Sarawak through collaborative efforts between agencies and stakeholders of various fields and sectors.

FOREWORD FROM THE CHIEF EXECUTIVE OFFICER

Mr. Sudarnoto Osman CEO of SDEC

There is still much to be done to elevate Social Entrepreneurship in Sarawak. Majority of social entrepreneurs in the state are still in its infancy and work independently of one another. Their social purpose does not fit the business structure thus making it difficult to sustain their operations. Despite this, Sarawak still makes up about 7% of Social Enterprises in Malaysia, putting us in the Top 5 in the country.

We Sarawakians are proud of our rich culture, heritage and biodiversity, and many of us are passionate in improving the local community. In our efforts to develop this blueprint, we have met many business owners with an impactful mission in mind, but they do not identify themselves as a Social Enterprise due to lack of awareness nor familiarity with the concept. These are among the many barriers that hamper the growth and potential of Social Enterprises in Sarawak.



Social Entrepreneurship is one of the attributes in the beneficiaries of Sarawak Digital, an ecosystem for startups, entrepreneurs and changemakers, catalysed by Sarawak Digital Economy Corporation (SDEC). We are mandated to digitalise the initiatives and services within the ecosystem to allow inclusivity, accessibility, and wider outreach for the beneficiaries, players, and stakeholders. To achieve this, it is imperative for the ecosystem to be data-driven and leverage on digital technology, and SDEC will be the main driver to deliver these digitalisation efforts.

In the past 2 years, SDEC has assisted more than 9,000 SMEs in their digitalisation journey in both urban areas and rural communities in Sarawak. Under Sarawak Rural Broadband Network (MySRBN), we have set up 158 sites as of May 2022 at suburban and rural areas in Sarawak, as part of the wider SALURAN initiative led by Sarawak Multimedia Authority to bridge the digital divide in these areas. On top of that, we have fostered more than 50 public and private sector partnerships to maximise our program impact to Tech Startups, Digital Businesses, STEM, Digital Creatives, Makers & Innovators, Investors, and Community Builders. However, the number of initiatives we partake to nurture the Social Entrepreneurship community pales in comparison. Hence, we intend to look further into this to explore how we can be of help.

The SE*Hebat Sarawak Blueprint is developed through a series of discussions and survey collection with stakeholders from various sectors and sizes to provide us with a better insight into what needs to be done. The content covers the typology and profile of current Social Enterprises in Sarawak, issues faced, and their areas of improvements as well as an overview of the current Sarawak Digital ecosystem, its potential, and growth opportunities.

As a result, we have outlined 4 key recommendation areas in this blueprint: Policy & Regulation, Financing Solutions, Infrastructure & Human Capital, and Information, Knowledge & Networks. Each of these areas are further broken down into its short-, medium- and long-term solutions.

Through this SE**Hebat* Sarawak Blueprint, we aim to accelerate the maturity of the Sarawak Digital ecosystem into one that supports and facilitates the growth of social entrepreneurship. We hope that you will join us on this mission to transform Sarawak into a socially and economically prosperous state.

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GLOSSARY & ACRONYMS

AIESEC (French Acronym) Association internationale des

étudiants en sciences économiques et commerciales

(English: International Association of Students in

Economics and Business).

APAC Asia-Pacifc

AVPN Asian Venture Philanthropy Network **AZAM** Angkatan Zaman Mansang Sarawak

British Council

C csi Corporate Social Investment Corporate Social Responsibility

DIH Digital Innovation Hub

ENACTUS En-entrepreneur Act-action Us-we all

FGD Focus Group Discussion

Global Accelerator Programme

GEN-Z The generational cohort following millennials, born

between the late 1990s and early 2010s

(Born 1997-2012 (9-24 years old)

GI Geographical Indication

Grassroot Relating to, or involving the common people, especially

as contrasted with or separable from an elite

Impact The effect on people and communities that happens

as a result of an action or inaction, an activity, project,

programme or policy.

Impact Impact investing refers to investments made into **investing** companies organizations and funds with the inter-

companies, organizations, and funds with the intention to

generate a measurable, beneficial social or environmental

impact alongside a financial return.

IP Intellectual Property



Malaysian Global Innovation and Creativity Centre **MaGIC**

(now MERANTI- Malaysia Research Accelerator for Technology and Innovation)

The Makerspace is where all makers and thinkers come **MAKERSPACE**

together to share ideas, collaborate and solve problems.

Ministry of Entrepreneur and Cooperative Development **MEDAC**

MILLENNIAL Generation Y or Gen Y, are the demographic cohort

following Generation X and preceding Generation Z (Born 1981-1996 (25-40 years old)

Ministry of International Trade & Industry, Industrial **MINTRED**

Terminal & Entrepreneur Development

Ministry of Agriculture MOA

Malaysian Youth Volunteerism Leadership Programme **MYCORP**

NGO Non Governmental Organisation

Social Business SB

> Sustainable Development Goals SDG

Sarawak Digital Economy Corporation **SDEC**

Sendirian Berhad **SDN BHD**

Social Enterprise SE

Social Enterprise Accreditation SE.A

Small and Medium Enterprise **SME**

SOCIAL BUSINESS CITY

A concept that provides citizens with more tangible evidence and awareness of social businesses and enterprises. "Housed" within a street, in a building, or as part of a city's strategy, social businesses are able to showcase and market their products and services and demonstrate how they create an impact on the wider population.



S SOCIALLY CONSCIOUS

Generally a for-profit venture that seeks to leverage business for a more just and sustainable world. The objective of the SCBs involves more than just maximizing profits for the shareholders; it is also about creating positive changes and making valuable contributions to the stakeholders such as the local

community, customers, and staff.

Science, Technology, Engineering, and Mathematics

TEGAS Tabung Ekonomi Gagasan Anak Sarawak

UNDP United Nations Development Programme

V vc Venture Capital

YEC Young Educators Challenge
YSEALI Young Southeast Asian Leaders Initiative



Preface

During the International ICT Infrastructure and Digital Economy Sarawak 2017, the Premier of Sarawak, Datuk Patinggi Abang Johari Tun Openg announced the Sarawak Digital Economy Strategy 2018- 2022, paving a clear direction for the state towards becoming a developed and high-income state by 2030 through digital transformation.

The strategy outlined 47 strategic plans in 8 economic sectors: agriculture, manufacturing, tourism. smart city, digital health, commerce, digital government, and sports, social, arts and culture, alongside 7 enablers which are infrastructure, digital skills, and management, digital and talent cybersecurity, research and development, innovation and entrepreneurship as well as digital inclusivity. SMA is formalized following the launch of this strategy and subsequently, Sarawak Digital Economy Corporation (SDEC) in 2019 as the implementing agency to lead these digital transformation initiatives.

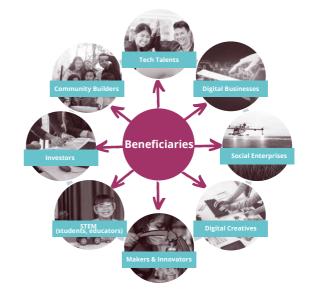
The state government has also unveiled the Post Covid-19 Development Strategy (PCDS) 2030 as a continuation of the previous strategy, as well as to serve as a recovery plan from the impact of the COVID-19 pandemic. It highlights 7 strategic thrusts on 6 economic sectors, to further accelerate the economic growth of Sarawak. To facilitate this, the Sarawak Economic Action Council (SEAC) was formed.

One of the key enablers of PCDS 2030 is innovation, which led to the inception of The Sarawak Digital and Innovation Ecosystem, abbreviated as Sarawak Digital.

The Ecosystem aims to provide its beneficiaries with various services and opportunities that comprise of Innovation & Entrepreneurship Development, Research Development, Support Network, Funding & Investments, Industry Partnerships, and Innovation Infrastructures. SDEC acts as the catalyst to ensure its continuous growth and sustainability.



The beneficiaries of the Sarawak Digital services are individuals or entities that identify with at least one or a combination of the following 8 attributes: Tech Talents, Digital Businesses, Social Enterprises, Digital Creatives, Makers & Innovators, Science, Technology, Engineering and Mathematics (STEM), Investors and Community Builders.





The main goal of Sarawak Digital as an ecosystem is to produce well-rounded and multi-faceted changemakers that integrate all 8 attributes into their ventures.

Incorporating the Social Enterprise attribute is crucial to ensure all beneficiaries of Sarawak Digital can create a positive impact on their target community, thus contributing to the economic prosperity, social inclusivity, and sustainable environment in Sarawak. Various support and opportunities are elaborated further in this Blueprint to encourage traditional businesses to explore and convert into Social Enterprises.



The support and opportunities offered are also aligned with United Nations Sustainable Development Goals (SDG) and foster the use of digital technology to elevate growth and impact. The Sarawak Digital beneficiaries can be steered towards being self-sustaining Social Entrepreneurs.

The SE*Hebat Sarawak Blueprint is formed as a call to action for all current and future Sarawak Digital players and beneficiaries in supporting a digitally powered Social Entrepreneurship landscape, with SDEC taking the role of supporting these players in providing digitalization in various aspects of the initiatives.





Executive Summary

Sarawak Digital Economy Corporation (SDEC) believes that Social Enterprises offer an ideal alternative model to conventional business that can transform and empower individuals and communities to chart their own inclusive and sustainable futures.

Sarawak is poised to become the model for sustainable economic growth for Malaysia if it is able to harness its strength in diversity, rich heritage and culture, natural resources, and most importantly, its people. Social Enterprises can provide the opportunity for people to take positive action, provide jobs and create an impact on key Sarawak social and environmental issues.

It isn't something that SDEC or any other entity can do single-handedly, however, and the Blueprint does not suggest this either. It requires multi-stakeholders including Sarawak citizens, NGOs, Corporate bodies, and Education Institutions.

This Blueprint for Sarawak Digital Ecosystem players or the SE*Hebat Sarawak Blueprint is intended to provide recommendations over the next 3-5 years, to spur the development of a thriving and vibrant Social **Enterprise** landscape within the Sarawak Digital ecosystem. We expect that the ecosystem in this nascent stage is fluid and subject to change and should continuously be enhanced according to the potential of Social Enterprises.

Based on 4 ecosystem dimensions, our key thrusts are:

- Strengthen policies to support the creation and growth of Social Enterprises by all ecosystem players
- 2. Enhance access to Funding/ Financing for Social Enterprises and develop new funding methods to sustain Social Enterprise development by ecosystem players
- 3. Capitalize on existing infrastructure and institutions to create and develop Social Enterprises at the grassroots
- 4. Foster a culture of sustainable living through Social Entrepreneurship

To ensure that Social Enterprise contributions will produce the most meaningful impact on Sarawak's people and environment, we also suggest 5 main Impact Focus Areas in order to drive interest and investments by all stakeholders involved.

Most vital though to these efforts is continuity and consistency in implementation. It must also be championed by the highest level of the Sarawak government and key stakeholders in agencies.



1.0 Introduction

Social Enterprises in Sarawak exhibited grit and resilience by becoming front liners even as we were hit by a health and economic crisis. They demonstrated agility and fortitude in ensuring they could continue to contribute, stay true to their cause, and survive the uncertain market.

The ecosystem plays an important role in ensuring that these Social Enterprises can continue to sustain, thrive, and deliver their promised impact.

Significant efforts have already been undertaken to promote social entrepreneurship, create and support Social Enterprises across Malaysia over the last 9 years with an average of RM10 million allocated annually by the Federal Government.

However, the sector in Sarawak and its ecosystem is still at an incipient stage and experiences unique issues and challenges.

The research undertaken considers 3 main components to draw out the Blueprint:

- · the Sarawak Social Entrepreneur,
- · their Social Enterprises and,
- · the Sarawak Digital Ecosystem

We examined their current state and landscape, the desired state based on valuable insights collected from social enterprise surveys and focus group discussions, expert and stakeholder interviews, and research reviews over 3 months. To also better understand current customer perspectives and behaviors on social enterprise goods and services, we conducted an online consumer survey.

We then looked at benchmarking against matured ecosystems and established practices from around the world to paint a vision of where Sarawak should go. The gap is then addressed through recommendations based on 4 main Ecosystem Dimensions.

These four dimensions were then used to develop strategies for Sarawak Digital ecosystem players over the next 3-5 years to form a strong foundation and spur the development of a thriving and vibrant Social Enterprise landscape.

The Blueprint will:

- Suggest key focus areas for ecosystem development based on the social entrepreneur and enterprise needs.
- 2. Develop a baseline map of the existing Sarawak Digital ecosystem.
- 3. Identify gaps and areas of strength to move the ecosystem towards maturity.
- 4. Propose practical strategies for ecosystem stakeholders based on current and projected needs of the Sarawak Social Enterprise.
- 5. Suggest frameworks for addressing Social Enterprise and Enterprise Growth, and Ecosystem building and development.

Who should read this?

- · Sarawak Digital players
- Educators
- Intermediaries
- Financiers
- Technologists
- · Policy-makers

and other stakeholders dedicated to helping Sarawak social entrepreneurs at every stage, create remarkable or "HEBAT" impact.



1.1 The Sarawak Digital and Innovation Ecosystem (Sarawak Digital)



The Sarawak Digital and Innovation Ecosystem (Sarawak Digital) is one of the Catalytic Initiatives under SDEC as part of the Sarawak Economic Action Council (SEAC) as it pursues the State's aspiration of becoming a developed and high-income state through digital transformation. SDEC supports the coordination and catalyzes efforts to enable the development and growth of tinkers, innovators, entrepreneurs, and their enterprises through the effective use of multisectoral resources and partnerships, primarily from the private sector.

Sarawak Digital is an ecosystem established in 2019 and has since provided services and opportunities for digital talents and startups. This includes providing good soft and hard infrastructure such as co-working spaces, development programs, funding and investment opportunities, events, technology partners, research and development platforms as well as international market access.

Recognizing the potential of Social Enterprises as key contributors to sustainable development and growth, it is regarded as a significant vertical for Sarawak Digital, cutting across industries and sectors, in meeting critical and unmet needs of communities and solving climate issues. They are an important beneficiary or client group of Sarawak Digital.

Services already offered from cradle to scale, covering ideation, innovation, talent, and business facilitation, Sarawak Digital provides a solid springboard for Social Enterprises in spite of the sectors' infancy in Sarawak. The Blueprint hopes to build upon its current strength to offer services uniquely designed and delivered for the SE in Sarawak.



1.2 Sarawak Digital Services & Beneficiaries

Sarawak Digital offers 6 key services:



Offers access and opportunities to partake in workshops, bootcamps, hackathons and accelerators to support the growth of startups and entrepreneurs.

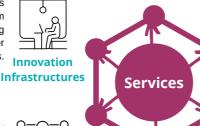
Research

Devt.

Innovation & Entrepreneurship Devt.

Offers facilities for programs and events

conducted for Sarawak Digital Ecosystem such as working and office spaces, meeting & discussion rooms, prototyping and maker labs and access to technology and experts.



Caters to university and industrial research, offering access to technology, tools and testbeds to support product development from prototyping to market-ready products.

Connects talents with industry demands and expectations provide access to industry landscape, challenges and technology to talents.





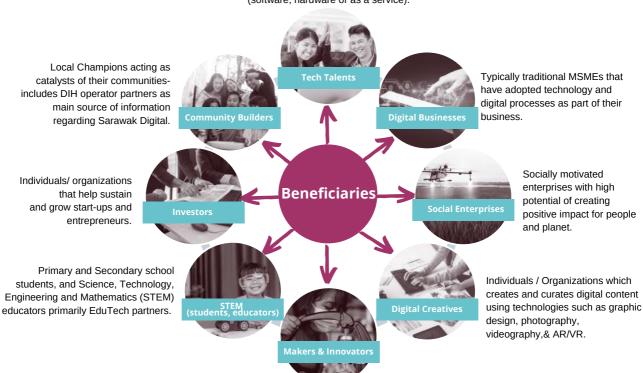
Consists of providing easy access to auxiliary services for start-ups and entrepreneurs such as administrative, secretarial, financial, audits, legal, mentorship services.

Offers access and opportunities to connect with potential investment for start-up companies, and developmental programs and perks for potential investors.

Investments

The beneficiaries of the Sarawak Digital services are individuals or entities that identify with at least one or a combination of the following 8 attributes:

Start-ups focusing on developing new tech (software, hardware or as a service).



Individuals/ Organizations which do rapid prototyping techniques to design, test and develop innovative products and solutions.





2.0 Understanding the Social Enterprise

For purposes of the Blueprint, we refer to the Social Enterprise (SE) according to the definition previously set by MaGIC (2015) ie:

SE is a business entity that is registered under any written law in Malaysia that proactively creates positive social or environmental impact in a way that is financially sustainable.

- A Social business as defined by Muhammad Yunus, Nobel Peace Prize Laureate and social entrepreneur, takes on a more purist approach and commits to reinvesting 100% of their profits back into the organization to avoid any possibility of mission drift.
- There isn't one legal structure that is applied to the Social Enterprise in Malaysia. Social Enterprises can choose to be registered as a not-for-profit, Limited Liability Partnership, Enterprise (Sole Propriety), or Sdn. Bhd and more recently as a Cooperative depending on which framework provides the better fit to reach their intended outcomes.
- Social Enterprises are not to be confused with social activism work or social services.
 Many efforts can take shape using some or all of these different elements to deliver social or environmental outcomes,
- It is crucial to make the distinction, to effectively develop a thriving social enterprise landscape.

The decision tree on the following page will help determine where the organization fits in the spectrum.

Key Characteristics of the Social Enterprise











Social/ Environmental Mission

Commercial Income

Financial Sustainability & intent Use of Revenue

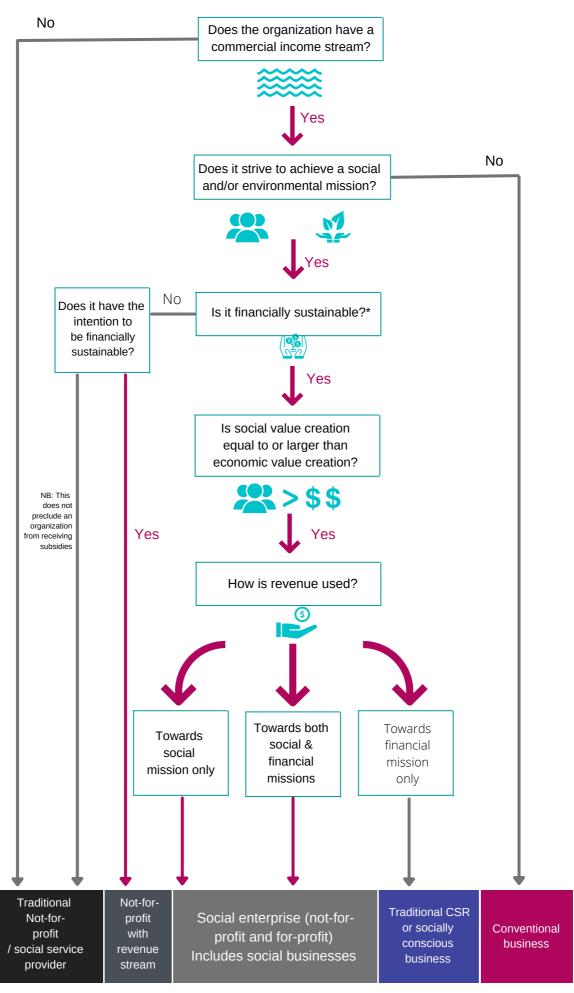
However, because the ecosystem is relatively nascent, we believe that this requires further discussion and understanding by ecosystem players.

Social Enterprises exist between two aspects: conventional businesses and social organizations and may adopt different models across this spectrum.

- They are not solely profit-oriented and are purpose-driven. They provide solutions to society's most pressing social and/or environmental challenges
- They derive income from commercial activities and intend to be or are financially sustainable
- Profit is essential for a social enterprise, but it is largely used to distribute to target groups and investments to further their growth. More than 50% of their profits must be used to grow their impact.



Diagram 1.0 Social Enterprise Decision Tree





^{*}more than 50% of income comes from sales of products and/or services

^{*}Decision tree developed in the Business for Good Report 2020 by CAPS

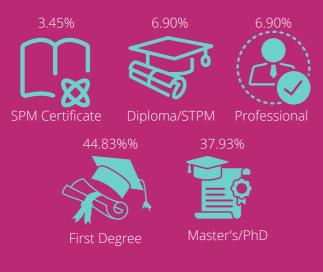


Determining factors of a successful enterprise is dependent on the characteristics of the entrepreneur. We will examine the social entrepreneur, determine their typology and recommend ways to provide more bespoke programs for the entrepreneur in this section of the plan.



Founder Profile

Highest Qualification



Top 5 Prior Work Experience (Sector)







Agriculture

Arts and Culture





Education

Technology

2.1 Sarawak Entrepreneur Profile

- 65% of SEs have male founders and the highest number of total founding members of a Sarawak social enterprise is more than 5 (all males).
- Overall, 6 out of 10 founders are aged between 31 to 40 years old followed by 21 to 30 years old (20%). There is a small percentage that belongs to the above 50 groups.
- All of them obtained the Sijil Pelajaran Malaysia (SPM) - the minimum educational requirement in Malaysia. 83% either have a Bachelor's or postgraduate degree which may suggest that social entrepreneurship draws relatively well-educated individuals into the social sector.
- They returned to their home towns and paid it forward by providing solutions that impact their local communities namely by offering economic opportunities and access to better education.
- Before starting their social entrepreneurial journey, most founders were found to have different professional backgrounds across several industries: agriculture, engineering, arts, construction, finance, and banking.
- They are driven by several factors such as existing social and education gaps in their community, business opportunity, sense of responsibility, and passion.



2.2 The Social Entrepreneur Typology

A concept study in 2020 on the typology of Social Entrepreneurs (Michael A. Abebe, Sarah Kimakwa, Tammi Redd, 2020) suggests the types of Social Entrepreneurs.

The dimensions that were used to categorize the social entrepreneurs were based on 2 domains:

- · their life and career experiences
- scope of their engagement or the types of social issues or causes that attract the social entrepreneur's attention.

The study further describes the likelihood and probability of the venture's survivability and growth prospects.

Social Entrepreneur's Life and Career Experiences

Disillusioned careerists

- has many years of service in business or in the public sector,
- yearns for more meaning and purpose, and feel largely unfulfilled in spite of achieving good financial and social status

Grass-root Actors

- did not have extensive professional experience but exhibited a strong desire to change the status quo and make lives better.
- extremely capable of galvanizing communities and were passionate advocates and promoters of their causes.
- They do not wait for government interventions or support to make things happen.

Social Engagements

Cause-based engagements:

- engagements in large-scale social issues such as inadequate access to quality healthcare or education, poverty, and income inequality, or managing ocean plastic crisis.
- · Stakeholders are extremely wide
- issues require multiple strategies across networks and actors.

Problem-focused engagements:

- addresses more localized needs that resonate deeply with them or
- which directly affects the entrepreneur's community.

Table 1.1 Typology of the Social Enterpreneur

Type of Social Entrepreneur	Description	Level of Human/ Social Capital	Likelihood of Venture Survival	Venture Growth Prospect
Seasoned Champions	 Entrepreneurs have extensive career experience in non-business or corporate positions (govt, NGO) Use experience and expertise to fulfil personally meaningful social ventures Feel that their careers were less meaningful 	Extensive/ Extensive	High	Moderate
Local Pragmatists	Entrepreneurs are concerned with socio-economic and environmental issues afflicting their local communities They do not necessarily have extensive formal career experience	Limited/Limited	Low	Low
Corporate Ventures	 Entrepreneurs have extensive corporate/business experience but feel increasingly disillusioned with their careers A social venture is considered an avenue to "give back". They are eager to apply their knowledge and expertise in creating and managing successful social ventures 	Extensive/ Extensive	High	High
Social Activists	 Entrepreneurs display strong passion for broader social and environmental issues (Access to education, healthcare) Social ventures are considered a means to an end-attaining social goals is more important Do not generally have extensive careers in business or public sectors 	Moderate/ Moderate	High	Moderate

*Survival refers to the first five years of the social venture's existence



The potential for Sarawak Entrepreneurs to scale and grow is immense.

Based on the profiling and research of social entrepreneurs in Sarawak, and using the typology as described in Table 1.1, we believe that they fall between 2 archetypes - the **Corporate Ventures** and the **Local Pragmatists**.

- Those we observed and surveyed had as mentioned
 - a.good prior experience in the corporate sector and across several industries
 - b. were well educated, and
 - c.were inspired by issues that have personally affected them
- We are also seeing an increasing number of community-based social enterprises as current government and private sector initiatives increasingly encourage entrepreneurial development as a means to overcome unemployment and the lack of job opportunities.
- We anticipate that as awareness increases social enterprises that fit the Local Pragmatists profile will increase particularly as accessibility to programs is more widely offered.

We can predetermine areas that require focus and improve the likelihood of sustainability and growth of social enterprises led by the Local Pragmatists, as they face uphill battles in business.

Corporate veterans can benefit from the knowledge offered by the community-based entrepreneur, to design better grassroots relevant initiatives and reduce the likelihood of negative impact on communities and their localities, while the grassroots social entrepreneur can learn to develop their networks and navigate the business environment from the more experienced corporate veteran.

The long-term health and growth of social ventures, therefore, is determined by the ability of social entrepreneurs to acquire the strengths of both prominent archetypes:

- harness the passion and community knowledge of the Grassroot Actor and,
- leverage on the business, negotiation, and management competencies and wide networks of the Disillusioned Careerists and drive impact deep and wide.

While we must address the competencies of the individual separately, matching different types of entrepreneurs together could also yield faster and better results.

Source: Timogah, in support of local and small producers



2.3 Designing Programs for Social Entrepreneurs

Social Entrepreneurs face not only the complexities of creating a "new business" with a dual (and sometimes triple) mission but are exacerbated further by their limited experience and exposure to business skills, staffing, stakeholder management among others which inevitably limits their ability to mobilize resources when needed. In designing support and facilitation, relevant ecosystem players need to consider the following:

Break language and cultural barriers

- Engage and conduct their programs and activities in the local language and with a local context. Programs need to specifically cater to the diversity of Sarawakian entrepreneurs if it is to be as inclusive as possible, and therein more successful.
- Co-develop activities and programs with grassroots entrepreneurs for grassroots social entrepreneurs.
- Ecosystem players can provide opportunities to engage diverse stakeholders in developing unique programs for their communities.
- Develop and document best practices amongst enablers for potential replication.

Provide accessibility to programs

 Consider the cost and burden on different types of social entrepreneurs as they attempt to gain access to support provided. Ruralbased entrepreneurs need to overcome logistical hurdles to enjoy most capacity development programs. Committed entrepreneurs can be provided with allowances/subsidies for travel and online training for example to help ease the burden.

Encourage remote learning solutions and delivery

 All parties can also take this opportunity to encourage the development of technologies, content, and solutions for remote learning and delivery as infrastructural (roads, warehousing, logistic networks) development is still in progress. This can also effectively benefit social enterprises across sectors and industries which need to engage and outreach to similar communities as access to beneficiaries and clients in hard-to-reach places proved a key issue during the pandemic.

Provide mentoring opportunities

- Match mentors to fit the evolving needs of the Social Entrepreneur.
- Provide access to a wide range of mentors with various areas of expertise.
- Provide one-on-one mentoring sessions or group mentoring sessions based on the Social entrepreneur's preferences.
- Build networks that can provide access to mentors, a sense of community and emotional support, and valuable access to even potential partners and employees.

Coach and hand-hold for the long-term

Community-based Social Entrepreneurs or Local Pragmatists need longer-term facilitation and business exposure, as their issues differ from one community to another, business opportunities are limited and talent, hard to find.

- Develop tailor-made programs that include 6-12 months of coaching per enabler covering specific areas depending on a social entrepreneur and enterprise gap and needs analysis.
- Standardize the process of profiling the social entrepreneur so that data can be shared (with permission) across different relevant enablers as the social entrepreneur grows.



Case Study: The Local Pragmatist



Belanat, the bird that gives food and nourishment to animals that cannot fly.

Jonita Enterprise

Pn Jonita is a petite and passionate community entrepreneur from Kampung Long Nan, a Penan village 8-10 hours drive away from Miri. She is also a proud village representative and manages the supply of food and basic necessities from the nearest town back to her village. She has good community knowledge and is a keen lifelong learner.

She only just discovered the term Social Enterprise last year.

Leverages on Her Community's Unique Strengths

She founded her enterprise based on her desire to provide more economic opportunities to her fellow villagers, particularly the womenfolk who had limited capacity to travel or were fully responsible for the upkeep of the house and family. They, like all her Penan peers, had a remarkable talent for handcrafting bags, carpets, baskets, and other items from rattan as the art and skill is part of their rich culture. Pn. Jonita would start a community-based endeavor fully utilizing the talent they had and matching it with the demand for crafts by tourists near and far.

Operates From Her Village

Production is currently limited to the artisan's own homes. Pn. Jonita also conducts workshops in their houses teaching women how to weave in order to improve product quality. She would pay them based on the type of item and numbers produced. She manages all sales and business development activities.

Wants to Grow

She has a clear social vision and understood how to operationally manage. She has ambitions to centralize production work and provide the artisans with more comfortable working arrangements. It would also provide a safe space for more social support and interactions - a for-ladies-only place. She would also be able to keep stock and better manage it as demand grew.

She formed her own network, using friends and family who are living in towns or cities to become Sales agents, distributors, or partners.

She would, later, after an accelerator program rebrand her enterprise to "Belanat" inspired by the bird which as it picks on its food, provides to hungry small animals on the jungle floor, reflecting the business' mission to help others. With this new brand, she would design baskets and handbags to meet the larger consumer audience and cater to a premium market.



She is doing a lot of things manually - financial record keeping, stock management, and does not have a management team to work with. Any custom-made designs require additional training, and this, she mostly did alone too as she was reluctant to train others like her to do the same.

Faces Infrastructural Challenges

Logistically though, it is more challenging. The distance to and fro the village is daunting and transportation of goods, therefore, more costly. It is also difficult to predict sales and product line demand.

Internet and telecommunication services are limited. She would have to travel an hour's drive away to get decent access - so communication with agents or customers would be limited. Ecommerce from her village seems like an impossibility. She relies highly on her existing network of sales agents to make decisions for her.

Gets Access to Support and Facilitation

She met with a community builder who convinced her to join the Social Impact Accelerator (TEGAS) program, in hopes of helping her grow her social enterprise.

She allocated a considerable amount of time and resources to travel to and from her village to participate in the program, scheduling it in with her shipment of goods to town.

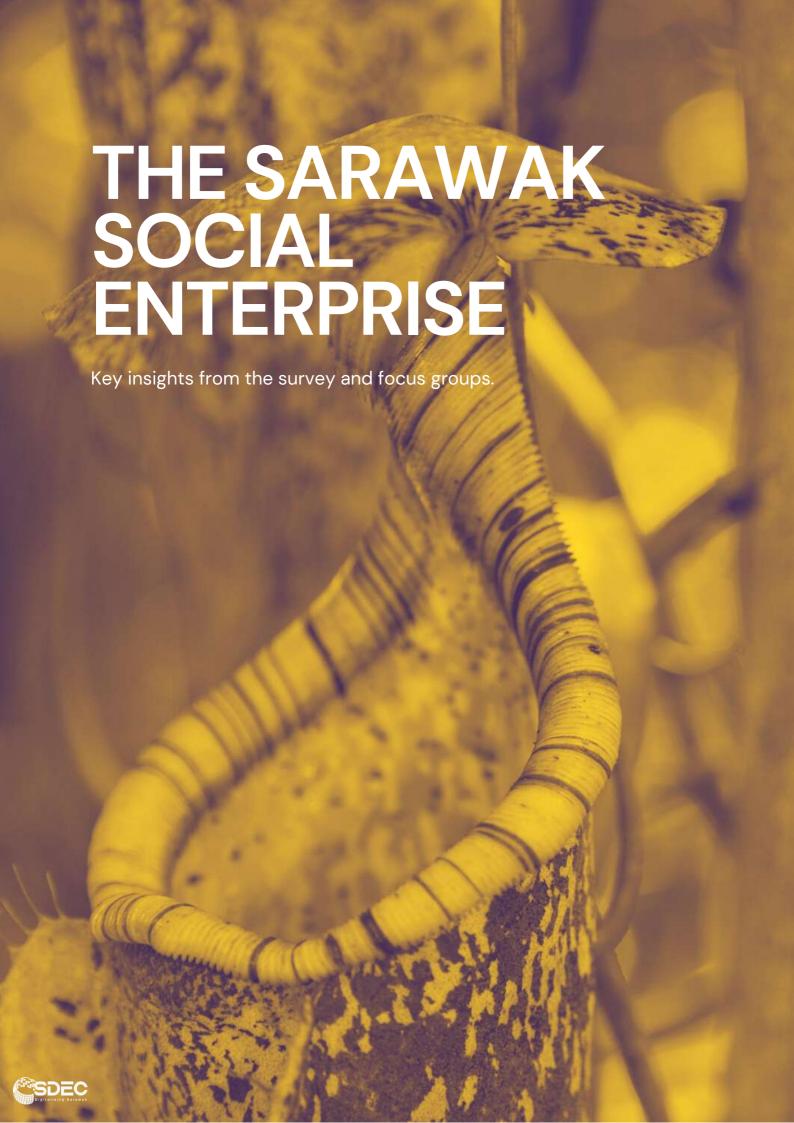
The program was conducted primarily in English and Bahasa. There were a lot of new terms and concepts too that she needed to learn and apply. Thankfully there was a constant "translator" by her side but even then it all seemed so challenging. The trainers and mentors also sat with her more frequently, going over new concepts and ideas, encouraging her to think of ways to improve her business, and handholding her through the process. She also gained from an extended network of other like-minded social entrepreneurs, providing her support and potential collaborators.

Upon completion of the onsite program, she was able to develop a plan and worked together with her coaches over many months to fundraise and sell her products- mostly via phone, and only when she could get a telco connection. Covid-19 made things even harder. She still needs ongoing support.

While her strengths are unique to her and her community, the challenges she confronts apply to many other Local pragmatists in rural communities.



The artisans from Belanat, Jonita Enterprise



3.0 The Sarawak Social Enterprise

4 out of 5 Sarawakian SEs can be categorized as micro-enterprises based on the definition by SME Corp:

- less than 5 permanent staff
- annual sales turnover of below RM300.000

consistent with the nascent ecosystem in Sarawak. While 88% of them identify themselves as a social enterprise, more than 93% have a clear social and environmental mission, denoting that not all claim to be social enterprises but may operate as one. This may have consequences on properly identifying and supporting Social Enterprises.

Industry Focus

Social Enterprises in Sarawak focus on issues revolving around indigenous and rural communities, providing opportunities in the agricultural, arts and culture, and education sectors.

The connection is deeply rooted in their land and community and hence, almost 9 out of 10 have chosen to serve, primarily the Sarawak community to address issues of art and culture preservation, providing decent work for all, access to quality education, and ensuring environmental sustainability.

Top 3 Challenges BEFORE the pandemic







Access to Funding Talent acquisition

Market Access

Top 3 Challenges DURING the pandemic

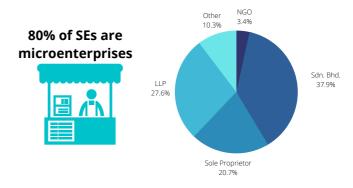






Market Access Access to Funding Beneficiary Outreach

Nature of Business



Most Common Sector



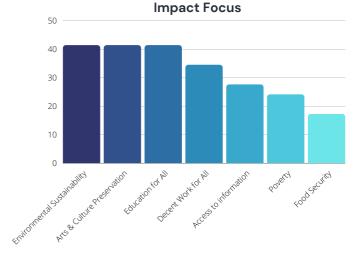




Arts and Culture

Agriculture

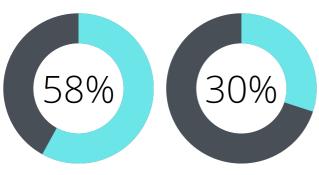
Education



Before the pandemic, Social Entrepreneurs in Sarawak faced three major challenges including access to financing and market and getting talent (as they had to compete with more attractive sectors), challenges often associated with social enterprises, at early-stage. Fulfillment came in a close 4th as a result of logistical issues and the lack of road infrastructure.

Accessing their communities and markets proved challenging during the pandemic. The mandatory restriction of movement imposed by the government especially at different levels of intensity on multiple occasions and the fear of spreading the Covid-19 virus are among factors that delayed them from directly engaging with their communities and customers.





Participated in accelerator/incubator program

Participated in fellowship program

Fellowship Program



but, if there is any available for them,



Said never attended any

Said they would attend it

Importance of **Public Recognition**



Top 3 Reasons why recognition is important

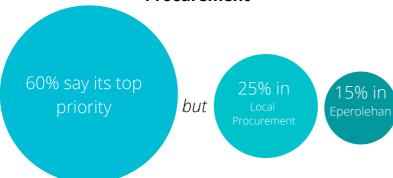






Public knows what they are doing and who they are

Involvement in Government Procurement



Incubation and Acceleration Programs

More than half of surveyed social enterprises participated in both accelerator/incubator programs and fellowship programs conducted by the state, government agencies, embassies, and/or international entities.

Among their reasons for participating in these programs are to have:

- access to networks and support,
- get better access to funding opportunities
- improve their competency and develop their skills, and,

receive peer-to-peer support.

Most respondents have not themselves attended any fellowship programs but many of them intend to do so if given the opportunity. Top 3 reasons for participation included the opportunity to enhance leadership skills, expand networks, and improve overall skills and competency for the individual founder.

Recognition via Awards

Receiving awards also has its benefits and is recognized for its ability, as with accreditation and certification to raise the credibility of a Social Enterprise as a business for impact and validate the need for their solutions.

Government Procurement

- 6 out of 10 of SEs surveyed felt that government procurement was a top priority, and absolutely important (5%)
- More than 5 out of 10 felt that accessing information about government procurement projects was difficult (access to tender notices, information is not provided widely, registering for eProcurement is challenging with lengthy and unclear processes) suggesting that more can be done by government bodies to ease this process. This is compounded by the lack of awareness and knowledge of social enterprises amongst civil officers who may therefore not be able to provide assistance when required.



Financing

- Overall, Sarawak SEs at the current stage, rely on their own funds to finance their business. A sizeable number of SEs received funding through awards or program-based initiatives, also underscoring the importance of initiatives that offer capacity development, which includes financing.
- Not many explore scale-up funds, even if available when intending to grow. They are interested in applying for Foreign funding if given the chance or the guidance to do so.
- Less than a quarter received corporate sponsorship despite corporate pledges to SDG and CSR allocations. Corporate funding is another important source of financing that yields a positive impact not only on the social enterprise but on the corporate body and its communities. There is an under-tapped resource in the corporate sector (CSR funds included). When corporations choose to sponsor SEs, it can provide the impetus for the development of good social enterprises. The results suggest the need to identify gaps and challenges in this area to ensure both parties can benefit.

Governance

An overwhelming number of SEs did not have a board of governance or trustees. However, they understood the value of having one to:

- expand networks and open doors
- ensure oversight and good governance,
- and business integrity.

While it isn't necessarily mandated to all SEs, an advisory board of sorts could provide an avenue for SEs to ensure higher levels of governance particularly as most of the existing SEs surveyed are driven primarily by 1-2 founders.

More than 80% SEs collected impact data and developed reports which showed that they can account for the outcomes they have achieved be therefore more ready to fulfill obligations to more potential funders and potentially make better management decisions.

79% of Social Enterprises self-financed their businesses



65% of respondents also funded their social enterprises through awards or program-based initiatives



Almost all (95%) intend to grow their business by reinvesting their profits back into their organizations and increasing revenue



Only 24% of SE received Corporate sponsorship.



only 3% have a board of governance



8 out of 10 SEs which prepared reports,

were developed for partners and collaborators versus the general public (38.5%) and beneficiary groups (46.15%).





3.1 Key insights

I don't know where to go to register as a social enterprise - New SE Founder

We don't know what we don't know. We need to be guided in the right direction to be able to find out what is available for us - SE Founder

Unclear legal framework or government processes for Social Enterprises

Social Enterprises and would-be-social enterprises were also unclear as to whom to refer to for registration and licensing of their businesses.

This was made more challenging by the changing political landscape and the ensuing portfolio restructuring affecting particularly social enterprises (MaGIC to MEDAC).

Social enterprises could not self-identify as a Social Enterprise

Early-stage entrepreneurs interviewed did not identify their organizations as social enterprises because they felt that they were not ready yet to be labeled as such. They wanted to ensure a certain level of impact could be demonstrated even if they fulfilled the criteria of a social enterprise.

Not all ecosystem players interviewed could also distinguish a normal business doing good from a social enterprise.

I just want to make a difference in my businesses.

Am very new to this social enterprise thing - SE

Founder

My business is not prepared to be a social enterprise. I want to start first - SE Founder

We may have some access to grants, but these have many restrictions. We need more flexible funding. - SE Founder

There are not many funds for Social Enterprises in Sarawak. Matching grant ..maybe...
- SE Ecosystem Player

There is not enough funding for Social Enterprises

Social Enterprises feel that there aren't enough grants or other means of financing, particularly at the early stages, and even if available (including CSR allocations), are not flexible enough to consider certain costs and expenses that are crucial to the survivability of their business.

On the other hand, ecosystem players feel that Social Enterprises may not be investment-ready or fulfill funding requirements even with funding opportunities. This is due to skills and competency gaps - financial management, business operations, etc.



"We hope that support and facilitation is also extended to Social Enterprises who are not from Sarawak, but whose goals meet the state's aspirations - SE Founder

Peer Support and Social Enterprise Networks

Peer groups or a Social Enterprise network for business based in Sarawak was frequently mentioned as a good way to create synergy, and provide support and possible mentoring opportunities between Social Enterprises.

Some Social Enterprise founders were able to acquire more support in the Peninsular and were comfortable/willing to travel between states to gain access to networks.

"Providing peer-to-peer mentoring to grass-root entrepreneurs provides a good source of inspiration, motivation and guidance" -Grassroot Entrepreneur Agency

"I can find wider and more supportive networks and opportunities in Peninsular Malaysia. I am willing to travel there 2 -3 times a month ." - SE founder





4.0 THE SE*HEBAT LANDSCAPE



4.1 Social Enterprise Players

SE players refer to actors, intermediaries, institutions, and networks within the Sarawak Digital Ecosystem that contribute to or hinder the development of social impact and Social Enterprises.

Ideally, these actors play different and complementary roles and with each other. This also helps in providing a clear value chain to the social entrepreneur.

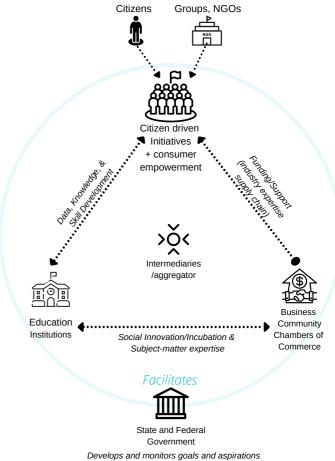
They may as have similar or overlapping functions and this can depend on the nature of the relevant industries. As an ecosystem, they are able to complement the work of others in order to fulfill a clear goal.

Citizens

- · Citizens will play a central role,
 - by driving Social Enterprises,
 - as consumers of sustainable goods and services, or
 - o as social innovators.
- They can work as a collective, developing solutions via community groups, NGOs, or not-for-profits to engage and empower citizens and communities based on specific needs, areas, or industries to attain social and environmental goals.
- Not-for-profits play an important role in developing trust, providing essential grant money at the early stages, information, and access to beneficiaries between the different actors.

Education Institutions

- They are critical in creating awareness and education of social entrepreneurship to the talent pipeline and their surrounding communities.
- As the original maker spaces and incubators, they allow for the seamless flow of information, thoughts, experience, and expertise between stakeholders to help catalyze and commercialize social innovation.



Corporations

Corporate bodies provide resource such as valuable expertise, financing, and procurement and supply chain opportunities to enterprises at different growth stages.

for dynamic and organic growth

Intermediaries

As a social organization, intermediaries help develop and support Social Enterprises by way of training, mentoring, and providing access to funding. It also aggregates and coordinates stakeholder connections.

The Government

The government plays an important facilitative role in developing an effective ecosystem and provides the impetus to bring all these stakeholders together. Clear direction, accountability, and transparency by the government will allow for organic growth in creating a positive impact through social entrepreneurship.



4.2 Ecosystem Players: Landscape based on stages









Inspirators

Pipeline Creators & Developers

Supporters

Late **Supporters**

Enabling Activity/ **Program**

- Competitions
- **School and University Clubs** and Centres
- Learning Journeys, SDG
- **Conferences and Seminars**
- Makerspaces
- Changemaker Events and **Programs**
- Academic Courses
- Non-Academic and Professional courses
- Incubators (including corporate foundation incubators)
- Campus-based 'Yunus Centres' (Research & Student SB development)
- **Social Enterprise Competitions**
- Leadership Courses/programs
- Incubators (post ideation)
- **Venture Builders**
- **Entrepreneurship Programs**
- **Pitching Programs**
- Changemakers/ SE fellowships

- Accelerators
- **Financing Schemes with Capacity and Capability** Development
- **Investor Matching**
- Corporate Procurement/Value **Chain Facilitation**

Examples (National and State Level)

MYCORP, YEC, YSEALI, IMPACT HUB Youth, myH Social Project Competition and workshops, AIESEC, ENACTUS, 3ZEROS Club, Real Living Labs (UNIMAS) & other programs under the Community Sustainability Centre (UNIMAS), Accelerator Labs UNDP (Learning Networks, Living Labs)

- · Corporate Foundation programs for scholar development (which includes social entrepreneurship)
- University-based competitions
- Global Social Business Summit, SEWF, Sustainable Conferences, **AVPN**

Makerspaces: Me.reka, Creative hubs: HAUS Kuching. **Digital Community Centres** (PUSTAKA), Ruang Reka (MOSTI/YIM)

SIA (Tegas), Shell Livewire, SEED.Lab (Petronas), All Public and Private IHL curriculum, including UNIMAS, Curtin Uni, Swinburne, Yunus Centres (UKM, AIU, USM, INTI, USM, UTP, SUNWAY UNI) and INSKEN'S KEKSE,

Other non-SE specific programs under TEGAS, Sarawak Digital Hubs, MEDAC, MOA (Youth Agripreneur), KPWKK, EKUINAS, TERAJU, British Council's/Yayasan Sime Darby - Hubs for Good

Competitions

- Lasting 6 months-1 year with mentorship and coaching
- Program Mahasiswa Yayasan Pelajaran Johor (includes students based in Sarawak). Ecobiz (Alliance Islamic Bank), myHarapan Social Business

GAP and PUSH (MaGIC), SIA and Startup Lab (TEGAS DIH), EPIC Collective, Impact Hub (KL), Enviu Foundation, Creative & Digital Innovative (SMA), SUPERB (TERAJU), WIEF Youth and Arts programs, Pitching events, SarikeiGO, R.A.I.S.E, Acumen, Ashoka, Empact (Singapore) YSEALI, Youth Co:Lab, Bangkok Internatianal Performing Arts Meeting, CENDANA, PurpoSE, SE Academy.

All of Sarawak Digital Hubs: TEGAS Digital Hub (Miri, Bintulu, Kuching), Sarikei Innovation Centre, Sibu Digital Innovation Hub, Creative Heritage Innovation Community, Serba DigitalX, GAP (MaGIC), Sarawak Digital Hubs, Endeavor.

NEXEA, Watchtower and Friends, 1337 Ventures and other non-SE specific accelerator programs.

Banks (Alliance Bank Bizsmart for example, Maybank)

- Competition

Funding Primarily program grants:

- · Government & Corporate sponsorship
- Foreign Embassies: US, British High Commissioner
- Crowd-sourced
- Government &
- Corporate supported (may include grants for selected entrepreneurs)
- Philanthropic grants
- University Research based Grants
- Student Entrepreneur Grants
- Foreign Embassies
- Australian Government's Australia-ASEAN Council

Crowdfunding / Fundraising Platforms Angel Investors Philanthropic capital Grantmakers

- · Shell Livewire Grant program, Sarawak Energy CSR,
- 1337 Ventures, Incite Capital
- Foreign Corporation Grants
- Heritage, Arts and Culture Facilitation Fund (2022)
- Bank Islam
- · Bank Rakyat: Rakyatpreneur 2.0, targeting 200 asnaf entrepreneurs (includes capacity development

Mainstream investors and funders

Including VCs and Crowdfunding platforms: Citrine Capital, Good for Business, Ataplus, Pitchin, 1337 Ventures, Watchtower and Friends. Credit Guarantee Schemes Government bonds

Grant-makers:

Yavasan Hasanah Lendlease Foundation The Star Foundation

Facilitating funds provided by the government



4.3 Ecosystem Players : Supporting structures

We observe additional support players coming into the field to fill in social entrepreneur and enterprise gaps, providing services in more specific and niche areas. Noticeably, based on the profile of the entrepreneur and the size of the teams, companies, and intermediaries are coming forward to provide administrative and HR services, financial management/reporting outsourcing, legal services, and media support services. They may themselves be social enterprises too.

Legal and accounting service companies also for example often provide pro-bono services or affordable packages as part of their community service or CSR, but do not necessarily publicize this unless it is bundled in partnership with programs or initiatives by intermediaries or ecosystem players. To overcome some of the major pain points SE start-ups face and in ensuring key growth levers can be given, a mapping of all these additional support services in Sarawak would prove extremely beneficial to the ecosystem moving forward.



example: AZAM, WIKIImpact, traditional media outlets

Technology and Data Support

Open Data

Technology and Innovation Support



4.4 List of Key Players in the Sarawak Digital Ecosystem

Incubators, accelerators, and support programmes

These are initiatives and programmes that offer support such as business development services, training and mentorship, or other resources to fledgling enterprises

Sarawak Digital Economic Corporation (SDEC)

- State-owned company to lead the state's digital economy initiatives and implementation,
- Strategic collaboration is to develop the state's digital economy in congruence to the Sarawak Digital & Innovation Ecosystem (Sarawak Digital)
- SDEC is developing a blueprint essentially to advocate, support and develop the social entrepreneurship sector in Sarawak.

HAUS KCH

- A community-led and community-powered project that revitalises abandoned buildings into creative and community launchpads
- The project features events, workshops and initiatives coordinated by an inhouse coordination team and community partners
- · Workshops to empower social enterprises included

MaGIC Sarawak (MRANTi)

- A one-stop space for budding and existing entrepreneurs to work, learn and play
- A platform to support the creation and development of the next wave of entrepreneurs in Sarawak.
- Encouraging participation from various industries in creating successful enterprises through creativity and innovation.

Angkatan Zaman Mansang (AZAM)

- A non-profit and non-governmental organisation facilitating development efforts in Sarawak through promoting development communication
- AZAM's target groups comprise community leaders, rural communities, youths and women, front liners and government servants, media practitioners, school children and the general public.

TEGAS Digital Innovation Hub (DIH)

- Kuching, Miri, Bintulu
- DIH offers access to affordable co-working spaces, entrepreneurship education and venture acceleration programmes as well as access to Sarawak Digital Ecosystem network.
- Oganized Social Impact Accelerator (SIA) programme since 2020.
- A platform to support and empower early-stage startups and social enterprises in Sarawak

Chamber of Social Entrepreneur Development Malaysia (CSED Malaysia)

- A non-profit organisation that was set-up to improve the Social Entrepreneurship ecosystem in Malaysia
- The chamber plays an advocacy role in terms of building and growing the social entrepreneurship practices by forging interventions, collaboration, and efforts in the private and public sector

iCube Innovation Center

- An incubator innovation center for Sarawak's young entrepreneurs
- It is designed to facilitate the creation and growth of entrepreneurs through collaboration and co-incubation
- MaGIC Sarawak ran selected MaGIC Academy and MaGIC Social Entrepreneurship workshops and programmes for the community there

Retrospective Discovery

- A collaborative network of innovation facilitators with experience in program, strategy, policy and content design
- RetroDisco provide training and consultation revolving around strategy through design thinking, social entrepreneurship and youth engagement.



Incubators, accelerators, and support programmes

These are initiatives and programmes that offer support such as business development services, training and mentorship, or other resources to fledgling enterprises

HackWknd

- HackWknd is Sarawak's largest hackathon series owned by Sarawak Multimedia Authority (SMA).
- HackWknd is a hackathon challenge where participants from dynamic backgrounds ranging from field experts to programmers gather to solve and prototype problem statements under a specific domain given during each edition.

Techstars Startup Weekend Sarikei Youth Edition

- Techstars Startup Weekend Sarikei Youth Edition organised by Sarawak Multimedia Authority (SMA)
- Techstars Startup Weekend is a 54-hour event designed to provide superior experiential education for technical and non-technical entrepreneurs. It starts with night pitches and continues through brainstorming, business plan development, and basic prototype creation.

SME Digitise

- Sarawak Digital Economy Corporation (SDEC) in collaboration with the Ministry of International Trade & Industry, Industrial Terminal & Entrepreneurship Development Sarawak (MINTRED) to onboard the Micro, Small and Medium Enterprise (MSMEs) digitalisation initiative in Sarawak.
- The selected (MSMEs) will be able to significantly grow their business, establish brand dominance, and create a competitive advantage that will support them within the Digital Economy.

People Accessible Network for Digital Empowerment and Inclusivity (PANDei)

- PANDei programme is an effort by the state government to improve digital literacy among Sarawakians, especially the rural population.
- The workshop aims to ensure that people are equipped with digital literacy skills. The modules include identifying information, information retrieval methods, safety and security measures of mobile devices, social media, information assessment and the ethics of the digital population.

Pusat Ekonomi Digital Keluarga Malaysia (PEDi)

 PEDi aims to act as a One-Stop Center (OSC) through programs jointly organized by various strategic partners in an effort to help local micro-entrepreneurs adapt to digital technology and develop their businesses through the Small Entrepreneur Digitization Empowerment Program (PUPUK) initiative.

Future opportunities

The mapping of Sarawak Digital Services for prototyping and MVP activities

MAKERAMAI

• Building a maker community in Kuching, one widget at a time.



Impact Investors / Funders

Institutions and groups that seek to make a positive impact by investing in enterprises that advance specific social and/or environmental missions in addition to financial gain

Bank Islam	 Offers micro-grants to small businesses with track record and extend it to social enterprises They also provide some training and mentoring
Bank Rakyat	 Rakyatpreneur 2.0, targeting 200 asnaf entrepreneurs It includes capacity development too Not limited to Sarawakian only.
Shell Livewire	 Shell's flagship enterprise development programme called Shell LiveWIRE Strengthens local economies across the globe by promoting entrepreneurship and developing entrepreneurs Through a partnership collaboration with TEGAS, the LiveWIRE programme is able to give more to deserving Sarawakian entrepreneurs.
Sarawak Energy	Sarawak Energy is a big supporter of STEM and has helped finance several social enterprises, or social innovations in this field.
CENDANA	 Introduces the Arts Funding Programme, which increases the quality and opportunities of Malaysian works. Aids in various areas of works including training and professional development for artists, arts organisations and cultural entrepreneurs It has funded or provided funding grants to local social entrepreneurs in Sarawak

Universiti Malaysia Sarawak (UNIMAS) Example; through Enactus UNIMAS, Senses - Social Entrepreneurship Society of Engineering Students UNIMAS, conducted and hosted social entrepreneurship week, research papers and more. Established in partnership with the Sarawak State Government. An MoU with TEGAS is to promote interest and encourage initiatives in entrepreneurship, technopreneurship, business startups and funding among

students and staff at Curtin

the government.

Higher education institutions, research institutes

UCSI University Sarawak Campus

Curtin University, Malaysia

• Organizes social entrepreneurship webinars for the students and the general public

Individuals with innovative ideas will be motivated to apply for seed funding from

To create awareness and foster relevant discussions along the way



Government

The government is responsible for or involved in formulating supportive SE policies, developing ideas and plans especially to be carried out by relevant agencies or bodies

• The Sarawak Women and Family Department (Sarawak Women's Bureau),

The state government formed a Sarawak Economic Action Council (SEAC) to

• The state government will intensify its Digital Economy Agenda across all sectors

facilitate its post-Covid-19 exit economic strategy up to 2030

A total of 14 economic sectors and enablers that will be addressed

of Sarawak's economy

conducts various programs and activities, especially those involving Women and Department of Women and Family Development throughout the state of Sarawak Family, Sarawak (JWKS) It collaborates with women's NGOs, government agencies and organizations either within or outside the country on global women's issues. State and federal governments have a shared responsibility in providing welfare **Department of Community** services to target groups (children, the elderly, the disabled, victims of domestic violence, vulnerable communities, and more Welfare, Sarawak (JKMS) Under the Economic Development Branch, they offer a Welfare Micro Entrepreneur Development Program with a start-up capital under launch grant Tourism board, Sarawak is trying to impose 'Responsible Travel' experience in Sarawak Tourism Board Sarawak Encouraging to being innovative in marketing the product after the MCO is lifted. • Launched its Post Covid-19 Development Strategy (PCDS) 2030 **MINTRED** • Aspire to be a thriving society driven by data and innovation to enjoy economic prosperity, social inclusivity and sustainable environment. Ministry of Welfare, Community Gives recognition to women in the state, enhancing the well-being of the people through programs on the following: Wellbeing, Women, Family and • welfare services, empowerment of women, strengthening family institutions, Childhood Development, children's development, improving the standard of living of low-income and manage social issues through social development research and activities. Sarawak (KWKPK) • A progressive technology company specialising in IoT solutions • Specifically focusing on services related to environment, agriculture and healthcare MSD Digital Intelligence · Their smart farming solution is being adopted by the B40 community MSD Sarawak has presence on 77 Pusat Ekonomi Digital Keluarga Malaysia (PEDi) (PEDi) throughout the state (FREE for the community to get knowledge, information and conduct activities together)



Sarawak Economic Action

Council

SE Training, support and facilitation

Purpose-driven organisations that advocates, provide specific training to aspiring social entrepreneurs as well as support and facilitate SEs to start, grow and scale-up the business.

Austral Media	Austral Media Sdn Bhd is a Sarawak-based communications company with expertise in marketing strategies and event management. And, encourage and initiate sustainable social impact, they conduct Austral Media's Rainforum series featuring social entrepreneurs, corporate leaders and policy makers to shine light on opportunities and challenges surrounding social entrepreneurship at both the local and international arena.
Caliphs Technology	A local technology consultant that focus on software development, multimedia application & digital training. They support young entrepreneurs to use their technology and operating office at Kuala Lumpur & Sibu, Sarawak.
The Hills	A re-transformation from a mall to a community lifestyle hub. The Hills's co-working space called The Grounds is created to deliver the highest standards in workplace performance that welcomes from start-ups, experience companies, innovators to social enterprises. In sync with the rapid global shift that is already happening with the traditional workplace.
Borneo 744	From mentorship, training and collaboration opportunities, Borneo744 is a dynamic space to cultivate and nurture aspiring entrepreneurs and creative talents. With a well-equipped facility fit for exhibitions and recreational activities, Borneo744 in Bintawa, Kuching is Malaysia's first Blue Ocean Entrepreneurs' Township, an initiative under the National Blue Ocean Strategy (NBOS).



Hubs

A centre that offers working space, business activities and a space to network and interact to exchange ideas, create and innovate together

• TEGAS Digital Village (TDV) is a platform to support startup growth and promote digital innovation and entrepreneurship in Sarawak. Initiatives at TDV, among **TEGAS Digital Village** others, will include growth acceleration and scale-up programmes, R&D commercialization, market access and funding facilitation, corporate innovation and ecosystem enhancement as well as Intellectual Property (IP) support. Serves as a platform to nurture talents, support entrepreneurs, and create **TEGAS Digital Innovation Hub** innovators for Sarawak Offers start-ups the opportunity for expansion, ready access to high-speed (KUCHING) broadband, funding and facilitation opportunities through various programmes • Bintulu is blessed with abundant natural resources and coupled with industrial areas in Kidurong and Samalaju making it one of the major economic forces, **TEGAS Digital Innovation Hub** especially in the central region (BINTULU) Hence where the hub will facilitate technology transfer and commercialisation, as well as promote digital innovation **TEGAS Digital Innovation Hub** Encouraging youths to try to promote the available tourist locations in Miri through digital applications. (MIRI) Creative Heritage Innovation · A community-driven shared work space for the startups / entrepreneurs CHIC provides growth opportunities for content creators and to build a strong Community (CHIC) creative community towards culture and heritage preservation in Sarawak. (KUCHING) • Serba DigitalX is an open innovation platform by Serba Dinamik and StartUp Borneo. Serba DigitalX • SDx offers access to a state-of-the-art technology centre and acts as a hub to (KOTA SAMARAHAN) empower the digital community. · Acts as a platform will bridge a network of strong corporate ventures enabling synergistic partnerships between corporations and start-ups • Established despite the outbreak of COVID-19 Sibu Digital Innovation Hub Hand-in-hand with PLUX Incubation Hub, programs are hybrid delivered leveraging on its existing digital and e-commerce community to adapt and react (SIBU) proactively against the threat of economic growth from the pandemic. • A platform for the community to display various products and activities related to Sarikei Innovation Centre agro-based industry (food, fruits, food produced from agriculture) • The growth of digital economy in Sarikei aims to help entrepreneurs expand the (SARIKEI) marketing of their products with easier information technology (IT) facilities. • The setting-up of Digital Community Centres (DCC) in the state is to empower the skills and abilities of the community. • Digital Community Centres (DCC) throughout the state will be equipped with **Digital Community Centre** broadband internet services, laptops and tablets, digital video conferencing, (DCC) maker space equipment including 3D printers, 3D pens and computers, micro and online books collections and digital information.

to SDEC

especially in the Mukah division.

• MYTIC under the Mukah Parliamentary Youth Organization is a strategic partner

Their role is to trigger digital transformation and innovation in Sarawak,



Mukah Youth Transformation

Innovation Center (MYTIC)

(MUKAH)

Future Opportunities

The mapping of the Sarawak Digital Services for growth and maturity for Sarawak community

ESCAPE by Etiqa	 An office that is also a co-working hub open to the startup community, this hybrid space gets ideas flowing - an embodiment of the client's brand philosophy of mutual support and collaborative growth.
SMART Selangor, SiDEC and relevant Selangor state entities	 Smart Selangor is a Selangor state government programme with the vision to make Selangor a liveable Smart State in ASEAN by the year 2025 by empowering its people, businesses and the public sector through the optimization of digital technologies. SDU Innovations Sdn Bhd, also known as Smart Selangor Delivery Unit (SSDU), has helped set the direction for Selangor's smart agenda initiating many projects and programmes with key stakeholders to future proof Malaysia's most advanced state.
Digital Penang and relevant Penang state entities	 Digital Penang is a government-linked company owned by the State of Penang, which began operations in April 2020 to accelerate efforts to capture opportunities in the digital economy and promote a digitally engaged society. The journey of transformation will focus on driving digital adoption amongst the community, more data-driven governance, a diverse talent pool for entrepreneurship and investment, and a resilient digital infrastructure to sustain a liveable environment.
Digital Johor, JCorp, IRDA, Iskandar Investment and relevant state entities	 With the vision of empowering the people and the state of Johor towards greater economic achievements, Johor State Government is formulating a strategic initiative to digitalise key economic sectors within the state; which in time will empower the establishments of new digital-driven industries.



4.5 Dimensions of an SE Landscape within Sarawak Digital

The ecosystem in Malaysia as with many developing countries with a nascent sector still needs to evolve before Social Enterprises can thrive and scale their impact to full potential. The Sarawak SE landscape is young and is seeing increasing interest and support from multiple stakeholders in more recent years.

In deriving an effective support system, we will examine 4 dimensions derived globally by studies from the World Bank, and take a nearer to home inspiration through the Business for Good and DGI Doing Good Index 2020 both by the Centre of Asian Philanthropy and Societies and the UNESCAP-British Council The State of Social Enterprises Malaysia 2018 report.

These ecosystem dimensions capture the enabling environment for SEs:

- · policy and regulation,
- · financing solutions,
- infrastructure, and human capital,
- information and networks.

The next table highlights the areas in which the Sarawak Ecosystem needs to consider in order to reach maturity.

Policy and Regulation



- Policy strategy (promotion and recognition)
- Accountability and transparency
- Ease of business.
- Tax incentives or waiver
- Public-Private collaboration



Financing Solutions

- · Grants, Guarantees,
- Commercial credit, investments
- Consumer financing



Infrastructure and human capital

 Accessibility and Affordability of infrastructure



Information, knowledge & networks

 Capacity and capability development, SE outreach and advocacy, and networking opportunities



A Matured Ecosystem

Policy and Regulation



Policy Strategy - Government recognizes and promotes the special role of SEs. Sector-specific policies promote not only the private sector but also specifically SE participation in service delivery. These policies are well-implemented.

Regulation - SEs benefit from legal incentives, such as tax waivers, GST waived for key purchases in service delivery, and preferential public procurement for SEs.

Financing Solutions



Grant Funding - SEs have access to various grants that support their activities, from government, donors, foundations, and private company corporate social responsibility (CSR) departments.

Commercial Credit - SEs have access to commercial credit at reasonable interest rates. Many impact investors provide funds for different ranges of capital needed. There is a mature multi-finance institution industry that provides affordable credit and credit guarantees.

Consumer Finance - SE customers have formal and informal finance options to afford the services. These options can be in the form of government programs or collaboration with micro-finance institutions (MFIs). Informally, consumer finance exists through village savings and loans.

Infrastructure and human capital

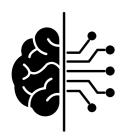


Infrastructure - Infrastructure is not only well developed in both urban and rural areas, but also affordable for the whole population. Innovative solutions prevail and SEs are encouraged, not obstructed, in using the infrastructure at hand.

Human Capital - the overall skill level of the population provides a sufficient pool of skilled labor. The education system nurtures an entrepreneurial mindset and prepares interested youth for a future in the SE sector. The sector upholds a positive image in society, and working for a SE is a desirable occupation. Salaries can compete with the public and private sector.

Companies - provide financial and technical assistance to catalyse rural social enterprises.

Information, knowledge & networks



Capacity Building-Dedicated organizations - provide capacity building to SEs for relevant technologies as well as management. Some of include incubators seeking to develop and support SEs through advice, mentoring, and capital. There are available outposts in both urban and rural areas.

Research and Data -The government and other organizations collect relevant data about disadvantaged, low-income consumers and markets and publish it online. There is an active local research community dedicated to SEs and related topics.

Coordination and Advocacy - A national SE organization (or several) coordinates activities and advocates successfully for SE interests in general, and in service delivery sectors. SE issues are successfully integrated in mainstream business organizations.



4.6 Gaps and Opportunities in the Sarawak SE Landscape

Policy and Regulation



There are no fiscal incentives provided to Impact investors in Sarawak or overseas to attract more impact funding/ investment or procurement amongst Sarawak based companies or Sarawakian founded SEs.

No central body that can provide guidance and streamline state government processes relevant to social enterprises

Social enterprises are unaware of support or guidance offered at state level. Unclear direction for impact or state - level sustainability goals which also promotes multi-stakeholder collaboration, impact reporting and accountability.

Financing Solutions



Emergence of microfinancing for **Social enterprises** but unsure of its reach in Sarawak

Crowdfunding opportunities can be further explored and included in the ecosystem conversation

Little corporate sector awareness and involvement in the financing of social enterprises across all growth stages.

Where financing is available it is not flexible enough to consider the different actual needs of the SE Financing for social innovation (at point of ideation) and precommercialization initiatives is limited and inhibits the creation of a larger pool of Social entrepreneurs at very early-stage and early stage.

Infrastructure and human capital



Start-up Hubs and initiatives such as **Digital Villages and** other Sarawak Digital players are not yet SE **ready** nor have sufficient competencies or skills to support SEs (eg: impact measurement, SE networks) However, their services are extensive enough to cater to the Social Enterprise.

Not many large corporations provide intermediaries to technical expertise or help advocate, infrastructural support negotiate and to SEs.

Support is "distant" Access to support and facilitation for SE is mostly only available in major cities/towns

No local manage services and facilitation provided by all enablers.

There is still a very low prevalence of Social **Entrepreneurship** amongst students generally in Malaysia

Road access and internet coverage can be improved particularly for rural areas, as this impedes sales and distribution of good and services by social entrepreneurs.

Information, knowledge & networks



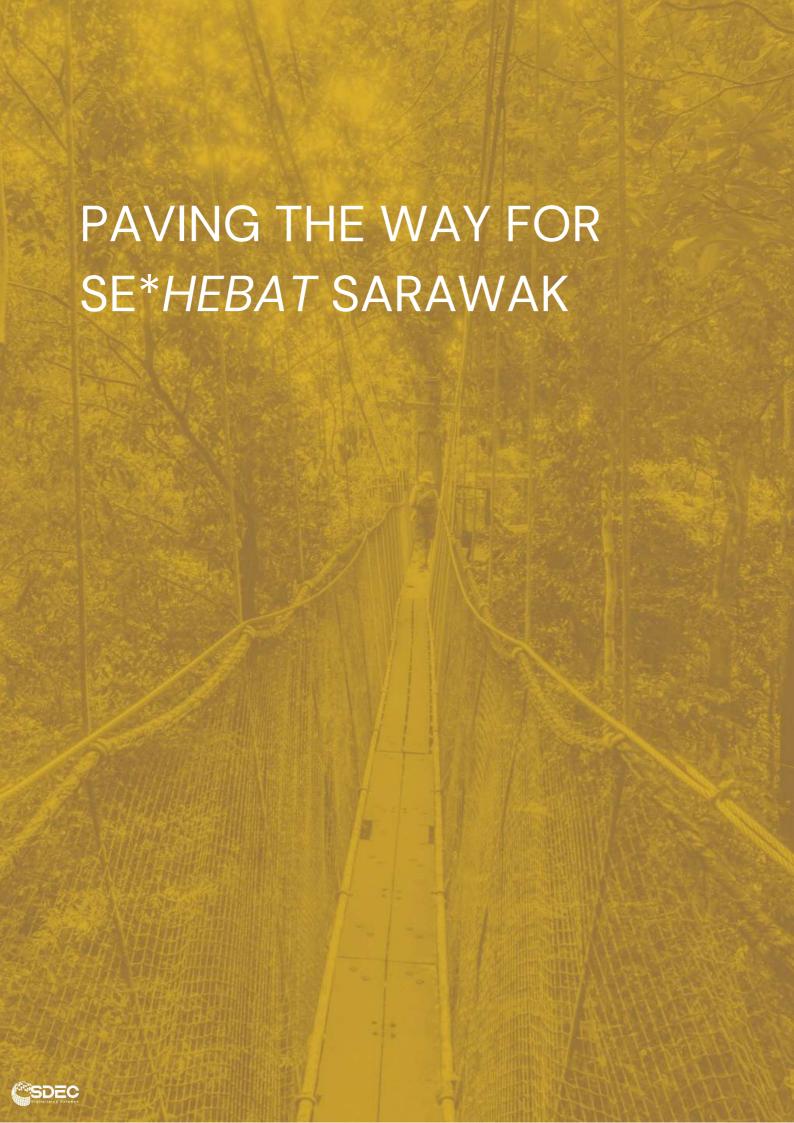
Ecosystem players are not all aware of a. each other and/or b. of the work (and depth of the work) that they do.

There is no Social Enterprise network in Sarawak which can push the local SE agenda forward.

Lack of awareness of social enterprises Universities in and social entrepreneurship, involvement and participation in social entrepreneurship by general public and grassroot entrepreneurs.

Private and public Sarawak promote Social **Enterpreneurshp** amongst their students differences and but there is no SE specific curriculum which also cuts across faculties (currently limited to social Science/ Business faculties)

Most programs cater to a general demographic profile and may not address language and cultural diversity present in Sarawak.



5.0 Key Recommendations

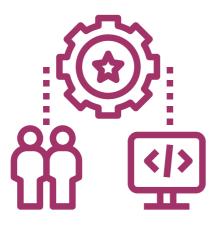
Goal: a vibrant and thriving Social Enterprise landscape within the Sarawak Digital Ecosystem that supports and facilitates the growth of SE**HEBAT* requires looking into these **4 Strategic Thrusts**

- Strengthen policies to support the creation and growth of Social Enterprises by all ecosystem players
- 2 Enhance Access to Financing for Social Enterprises and develop new funding methods to sustain Social Enterprise Development





- Capitalize on Existing
 Infrastructure to Create and
 Develop Social Enterprises
 especially at grassroots
- Develop a Culture of Sustainable
 Living through social
 entrepreneurship







Recommendations

Short Term Medium Term

Policy and Regulation



Create a Sarawak Task Force & develop and monitor Key Impact Indicators for Sarawak which involve multiple stakeholders, including Social Enterprises, not-for-profits, and grassroots innovators, public and corporate sector representatives.

Provide opportunities to:

- a. Engage in multistakeholder dialogue to be as inclusive as possible
- b. Incentivize investments in startup (not donations)
- c. Educate and create awareness of policies and progress across all layers of society
- d. Develop shared goals and monitor activities and outcomes for greater accountability

Self-Assessment of Social Enterprise status

Organizations should be able to self-identify as social enterprises even prior or at legal registration - eg: based on the decision tree.

This therefore include SEs being able to determine their choice of legal structure based on data and information & profile.

Centralize and streamline administrative processing of

licensing, certification and and permits for social enterprises and Impact organizations (retail, agriculture etc).

This may include providing awareness and mapping workshops and services with key administrative and entrepreneur development personnel across State - level agencies.

Communicate
effectively all policies
and strategies to all
layers of society while
inviting for feedback
from the public.

Promote involvement of Private sector in Key Focus Areas

Provide opportunities to a. engage in multistakeholder dialogue b. incentivize investments in startup Social Enterprises

Include Social
Enterprises in the Free
Industrial Zone (Digital
Village) so that they be
given the benefits of the
access to infrastructure and
other incentives given to
pioneer status companies.

Intellectual rights protection

- Subsidise IP costing to allow SEs or emerging SEs with unique innovations to allocate budgets towards IP protection
- Policy and support to advance R&D activities, either internally generated or acquired from other parties, should be introduced by relevant ecosystem stakeholders
- Increase exposure to Geographical Indication (GI) potential creating market access outside of Sarawak
- Strengthen the marketing of existing GIs in Sarawak

Mainstreaming Impact Assessments

Long Term

- Financial and impact assessments should be mandated albeit at varying degrees of rigor on all types of organizations
- All organizations of any legal structure should apply some basic reporting on impact or a logic model
- This can also provide data and impact indicators to policy makers and SEs alike

Promote the cultivation of Social Intrapreneurship in Public Sector and Large Companies and empower public and corporate citizens to contribute to sustainable goals internally with the participation of Social Enterprises.

Incentivize low carbon emission business practices by organizations with circular economy strategies and implementation.



Financing Solutions



Short Term

Map available financing schemes and options, publishing it in multiple languages based on the growth stage of the social entrepreneur offered by all relevant institutions. Matching entrepreneurs to potential investors vice versa can also be offered. but where establishing relationships first is prioritized. Investors invest more so in the entrepreneur than the enterprise.

Provide Early Stage Grants

Provide grants particularly for very early (pre-seed) and early-stage SEs to stimulate the development of a larger pipeline of SEs with more flexible terms and based on the profile of the entrepreneurs (particularly the grassroots entrepreneur)

NGOs (or similarly, Charitable companies in the UK) interested to become social enterprises or develop their own business models can get specific grants which are more flexible and provides capability development services allowing them the process of developing an entrepreneurial mindset and a business model.

Recommendations

Medium Term

Develop a Sarawak SE Fund contributed in part by citizens, corporations and the government to help finance social enterprises and social impact in the most flexible manner, allowing for the inclusion of financing for operational expenses.

Selection of projects is dependent on the decision of the general public and a panel of ecosystem players. Social Business Projects at Les Canaux, Paris for example were based on citizen votes and spurred citizen participation and ownership particularly at its earlier years.

Develop frameworks to use Carbon Credit (via carbon trading exchange) to finance forest conservation and preservation efforts by Social Enterprises / Social Delivery Organizations.

Raise Matching funds

Raise matching funds, or project financing with foreign impact investors or grant makers/ or crowd funding platforms - for preseries A-, series A financing

Long Term

Develop a Waqf fund for Social enterprises with underutilized government/ corporate assets.

Include wakaf-able assets that can generate revenue or provide benefits (asset and non-monetary building/ land/equipment) to serve people and planet via social enterprises

Incentivize social enterprise specific funding and financing by the private sector Incentivize the development of financial products based on the growth stage of the social entrepreneur offered by all relevant institutions

Facilitate access to consumer financing for SE products and services.

Solutions particularly high-

tech ones can be made

more affordable through microfinancing.
Example: Fisherfolks need a particular device and software to sustainably fish but this can be costly. SEs can only bring down the cost up to a certain point. With suitable consumer loans, fishers can adopt better technologies and systems into their work provided by

SEs like DemiLaut.



Recommendations

Short Term

Infrastructure

and Human

Capital

Use existing infrastructure such as "Pusat Ekonomi Digital Keluarga Malaysia (PEDi)" under the purview of MCMC Sarawak and Digital Innovation Hubs (DIH) to enable grass root social entrepreneurs.

- Encourage social business entrepreneurs among the grassroot community
- Collect data and information on key issues and associated initiatives, and developing while encouraging these activities amongst PEDi as Social Innovation Ambassadors

Mukah DIH provides a different level of facilitation compared to its peers starting from the very basic of digitalization and business services in view of the audience it serves. It hopes to level the playing field for entrepreneurs in Mukah.

Similarly, other DIHs and Rural Growth Centers across Sarawak can also provide varying degrees and intensity of facilitation, depending on the communities around them.

SarikeiGo participants for example can match solutions developed at the hub for the different identified communities and the strategic goals of the region.

As Kuching is also developing its Healthy City plans, Kuching Hubs can also include specific programs to include the development of healthcare services, tying it in with Art and Film.

Map existing SE courses and programs and curriculum in schools and Universities

particularly in Sarawak, identify best practices in SE education and for potential replication to institutes of learning, nation/state-wide.

Medium Term

Use technology to catalogue and protect the wisdom of the grass root and enable connections with scientists and researchers in order to co-develop and disseminate better solutions.

Sarawak Digital can fully leverage on existing platforms such as the Honey Bee network which collects innovations from communities around the world. Malaysia is the third largest contributor, as a result of Yayasan Innovasi Malaysia's (YIM) continuous support to cultivate social innovations. UNDP Accelerator Labs, also provide opportunities to develop ground-up innovations.

More can be done to not only help commercialize these ideas, but ensure it can be easily replicated and add value to the lives of the targeted communities.

Sarawak Digital can play a part in encouraging solutions that are cost-effective and easy to use for SEs

Provide Student apprenticeship/ internship opportunities in Social Enterprises. Selecting top students is an added bonus.

To bridge the gap of talent, Social enterprises can benefit from a pool of students as interns or apprentices. This also helps to elevate the status of SEs as viable career destinations to both the students, their parents and the general community.

Long Term

Expedite the strengthening of digital infrastructure

Ensure expansion of internet coverage and service reliability especially for the rural areas providing the opportunity for bigger market access as planned by the Digital Economy Blueprint. The recent Sarawak Budget announcement indicates commitment to this endeavor.

Develop an Ecommerce SEHebat Sarawak

We propose an e-commerce platform for social entrepreneurs to sell and promote their products and services directly to the general public or for public procurement. This can be managed by a promoting body (as a PPP effort)

We anticipate that this will create
a. additional
job or economic
opportunities.
Example: transporter
(deliveries) and
packaging, design and
business development
and, b. encourage more
people in the
#sapotsarawak
movement



Information, knowledge & networks



Short Term

Encourage Social Enterprises in Sarawak to develop a Social Enterprise network to provide peer-to-peer support, collaboration and best practices development and connections. Sabah SE Network was often mentioned as a source of inspiration and a point of reference.

Develop research studies and case examples or stories that are palatable to the general public and target beneficiaries. (Use the arts to also demonstrate and support social entrepreneurship) For example: Incubators for the film industry such as CHIC can provide stories with specific social and environmental themes to encourage public participation.

Leverage on outcome data from existing support systems like incubators and accelerators to improve use of data and acquire additional resource for social entrepreneurship.

Ecosystem players need to make outcome assessments, measure data (and therefore some level of standardization is recommended) that can determine the effectiveness of the programs, and make well informed decisions for continuous improvement. This helps demonstrate to potential investors, corporate bodies, and the public of the ability of these enablers to make positive change.

Medium Term

State government and universities to collaborate in order to

Recommendations

a. drive social innovation among academia and students for the benefit of Sarawak communities,

commercializing good, cheap and fast social innovations and projects.

b. Develop student Social entrepreneurs from multidisciplinary backgrounds helps provide more realistic entrepreneurship experience for the talent pipeline.

Enculturation through Eco/Social Tours which includes social enterprises across industries as part of a tourism package and allow consumers to truly experience SEs.

A tour to visit social businesses on the ground allows guests a. To get to know the SEs better as well as their

better as well as their beneficiaries

 b. To have an open and honest conversation about efforts by the state gov and grass root entrepreneurs

c. to treat beneficiaries as partners.

Consider virtual tours (as did Japan) or discussions with different stakeholders online regarding more lesser known facts and areas in Sarawak.

Ecosystem players to link to SE networks globally -

SEs stand to greatly gain from the wisdom and access to business opportunities overseas

Long Term

Host an annual Social Enterprise/ Business Day

An Annual Social Enterprise/Business Day which serves to:

- a. Create awareness and foster discussion amongst like minded individuals, corp., gov and gov agencies
- b. Provide a platform of recognizing those who deliver social impact from across sectors
- c. Provide a safe platform to have a serious discussion between State Government and social entrepreneurs to align priorities and measure outcomes
- d. Present publications and research papers from universities and grass root innovators.
- e. Films and Art for good -Present social entrepreneurship and impact in art form - enabling the general public to participate in thematic art displays or performances. Provide avenues for filmmakers to tell SE stories
- f. Crowd fund for ready Social enterprises in a focus area
- g. Make creating and developing solutions to citizens via maker spaces
- h. Develop competitions to allow for youth to develop social fiction

Use of Media and marketing to communicate plans and showcase social enterprises by leveraging on existing platforms such as the following:

- TVS Broadcasted in many different languages, TVS can play a big role of promoting and creating awareness of SE to the mass public by talking about (and selling) their products and/or services on these outlets
- AZAM (an NGO) can promote social entrepreneurship, social entrepreneurs and their stories through RTM Radio
- Local private media entities (eg: Austral Media; expert in marketing strategies and event management. Austral Media's Rainforum series shine light on opportunities and challenges surrounding social entrepreneurship at both the local and international arena)



5.1 RECOMMENDED IMPACT FOCUS AREAS

Based on expert advice and research reviews, we suggest the 5 following impact areas of focus. Sarawak stands to gain greatly by encouraging Social Enterprises and would-be entrepreneurs to develop solutions for the following impact areas:



Education For All



Poverty Alleviation



Health and well-being



Environmental Sustainability



Arts and Culture Preservation



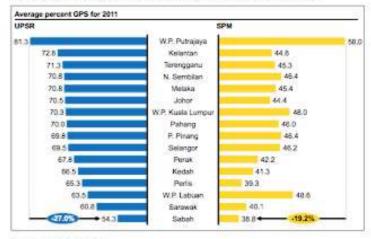
5.1.1 Education for All

A lot has been invested in providing this basic need by the government, however, more needs to be done to ensure rural students are accorded equity in education. Social Entrepreneurs can provide the creativity and innovations catered to the unmet needs of disadvantaged communities at a faster pace than otherwise possible, for a relatively lower cost in the long run. The two education companies surveyed demonstrated the ability to attract multi-sector collaboration and access to financing. There is a definite interest by the private sector to support complementary education, particularly in STEM.

"Almost half of the 1,265 primary schools in Sarawak are under-enrolled with some having only 10 pupils or less." - Borneo Post March 2020

Under-enrolled and rural primary schools in Sarawak in 2011 show poor performance in the UPSR (Sarawak ranks 15 out of 16 states and the FT) and are often categorised as low achieving schools due to students inability to grasp basic concepts and skills. (Abdul Said et al., 2014)

Comparison of performance across states for UPSR and SPM 2011



SOURCE: Examination Syndroits

Key issues



Poor infrastructure and accessibility at and around school

School facilities (libraries, computers, playgrounds) availability and maintenance.

Schools are difficult to reach (no proper & safe roads and transportation).



School leadership/ teacher workload (aside from their instructional duties) and time constraints

Overburdened by other external challenges and administrative work have shown to impede on the headmaster's ability to focus on his core responsibility.



Mismatch of teacher competencies and skills to meet school needs (fine tuned to rural and indigenous)

This includes mismatch of expectations. Teachers often find themselves overwhelmed by the challenges in rural schools (remoteness, language or cultural barriers) and do not stay long at the schools.



Lower socio-economic status of guardians/parents

Getting to and from school can be expensive and physical unsafe or arduous.

School uniforms and stationaries are considered luxuries, what more devices used during PDPr.



Under-allocation of funding for rural

or under-enrolled schools as per head cost is higher.



Ecosystem players can play a critical role in providing platforms to rethink education in rural areas and urging social innovation and entrepreneurship to fill in the gaps for rural students.

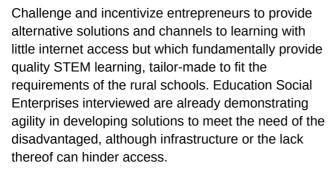
Think of schools as social enterprises.

Multi-stakeholder innovation



Encourage parents and communities in the discussion of creating and designing social innovations to close gaps and challenges for that particular community - with teachers, innovators, and social entrepreneurs.

Tailor-made solutions for rural conditions



Call for the development of new technologies and systems that can alleviate problems of accessibility and which limits exposure and knowledge for both teachers and students in remote areas.

Valuing Indigenous knowledge as a knowledge asset



Put a value on Sarawak's indigenous knowledge and skills (learning) and use it as an enabler and asset or part of the student's development process, acknowledging the unique talents of children and youth in rural and indigenous communities beyond conventional academic achievements.

Design and develop self-sustaining schools and infrastructure



Redesign schools to better fit the environment they are in (sustainable building materials, road access, provide water and solar solutions)

Data, Data, Data!



Provide info and data on rural schools and their communities to support innovation and solutions development and monitoring by social innovators/ social entrepreneurs, complementing efforts at the national or state level (EMIS and its sub-systems for example)

Mechai Bamboo School, Thailand - the alternative secondary boarding school for rural students by Social Entrepreneur Mechai Viravaidya

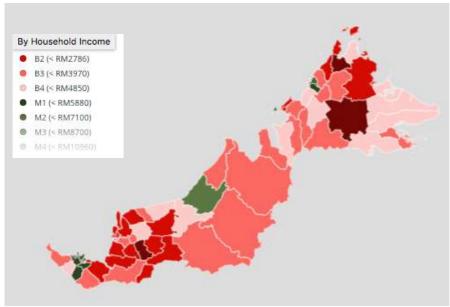
- School fees is paid in part by parents (in-kind / time -they work a certain number of hours on the school farm)
- Agriculture and life skills is embedded in curriculum
- School is generating income through their farm and other businesses. They also, with private sector support, provide funds for students interested to start their own SE
- Students are empowered to manage the school and their businesses (Select teachers, students etc)
- It hopes to become financially independent and is developing new income generating activities also inline with Thailand's key economic sectors to provide good market fit for would be student graduates.





5.1.2 Poverty Alleviation

Household Income Median



Sarawak is ranked third in having the highest number of poor families among all the states in Malaysia, after Sabah and Kelantan.

Sarawak's incidence of families below the Poverty Line Income (PLI) is 9per cent, higher than the national rate of 5.6 per cent in 2019.

The median disposable household income in Sarawak is registered at RM3,994 per month – RM1,122 less than the national figure of RM5,116 per month.

wikiimnact com

Despite the government's best effort to move more Sarawak people out of poverty, it is clear that concerted multi-sectoral efforts need to be undertaken with an understanding of the programs, what went wrong, and what could have been done better.

There are multiple causes of poverty. It will require a multi-dimensional approach to address it. Sarawak Digital can provide social entrepreneurs in this sector a leg up by encouraging and supporting them to:

- develop new micro-insurance and microcredits for the poor including credit guarantee schemes, which integrates areas of education (requiring children to be in school, or pursue education within tenure for example) or healthcare (special meals that include fortified items)
- strengthen the community by supporting organizations that provide training and programs for marginalized communities or in developing a value chain that includes the disengaged.

Ecotourism and Agriculture is Key

Pro-poor tourism is referred to as the positioning of tourism growth to produce livelihood opportunities between tourism and impoverished people (Mowforth and Munt, 2016)

Sarawak is a land of biodiversity and rich indigenous culture and knowledge. Their people have a greater understanding of their natural surroundings and could wisely transmit this knowledge to others. Therefore, they are the most suited person to introduce and educate other people about the land and without harming the ecosystem.

Pro-poor tourism capacity building, stakeholders' support, and infrastructure development have been shown to positively influence poverty alleviation in Sarawak according to a 2018 study. However, the additional monetary contribution is necessary to raise the capacity building to alleviate poverty. More can be done by pulling together resources from local government, private tourism organizations, and semigovernment tourism channels in focus areas, particularly in eco-tourism, harnessing local talent as key guardians of the environment, and experience providers as with existing eco-tourism community - based initiatives like KOPEL.



5.1.3 Health & Wellbeing

Child Malnutrition: Growth Stunting

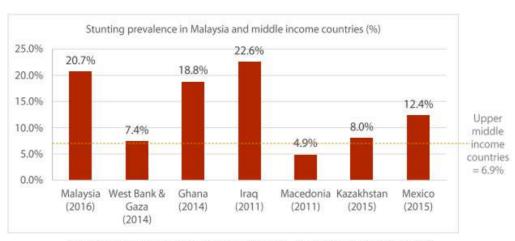


Figure 2: Stunting prevalence in Malaysia and middle income countries (World Bank 2018)

The COVID-19 pandemic has only intensified the vulnerabilities and inadequacies of global food systems — making access to food (and food of nutritional value) even more difficult due to the disruptions in food production, distribution, and consumption. The effect of the pandemic on income compounds this further.

According to the National Health and Morbidity Survey (NHMS), the prevalence of stunting in children under five years of age in Malaysia has increased from 17.2% (2006) to 20.7% (2016). That is one child for every 5 in Malaysia! In Sarawak, the prevalence rate is even higher at 23.1% (2016).

Often linked to poverty, stunting is a result of malnutrition, poor sanitation and health (particularly maternal health), food insecurity, and a less than conducive living environment. It has far longer-term consequences such as cognitive and physical development delays, diminished learning, and mental capacity leading to reduced productivity in later life.

The vicious cycle of poverty, hence, can not end, as their children then continue to be impacted the same way. Stunting can result in a loss of 7% per capita income according to The 2018 report by the World Bank (Galasso and Wagstaff).

Social Enterprises can consider the following to develop solutions that would provide the most impact to affected communities.



Reduce cost of nutritious foods and make healthy diets affordable and accessible by transforming from farm to table activities and processes.

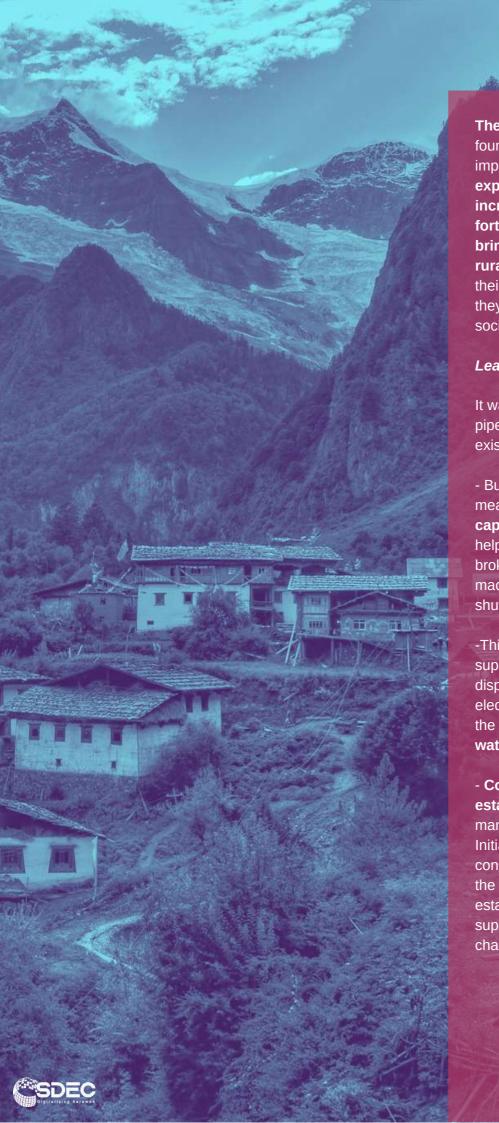


Promote the practice of sustainability and nutrition in agriculture and food preparation including supporting small-scale producers to take this approach from production to sales.



Mainstream nutrition particularly targeted for children by fostering behavior changes through awareness and education and communication by multistakeholders.





The Chaudary Foundation, a corporate foundation in Nepal invests in healthcare to improve quality of life. This includes providing expertise to bakers in rural Karnali Zone to increase sales of nutrient and vitaminfortified food to alleviate malnutrition - bringing healthcare solutions closer to rural communities and directly engaging with their existing talent. As a corporate foundation, they have pledged to invest in more than 12 social businesses in Nepal (2014)

Learnings

It was crucial to look into developing the talent pipeline within the community and assess existing infrastructure.

- Building a factory in the remote part of Nepal meant that there was **little access to human capital** or trained workers and expertise to help maintain the operations. When the factory broke down, no one knew how to repair the machinery which resulted in total production shutdown for months.
- -This was compounded further by the erratic supply of electricity because of inter village disputes and misunderstandings with the local electricity supplier. Due to the remoteness of the place of operations, access to clean water was also difficult.
- Community buy-in is important to establish. The factory operations were managed and supervised by a non local. Initially, the supervisor was unfortunately considered an outsider with little knowledge of the local language and little trust was established between the bakers and their supervisor. Operating the factory proved challenging.

Mental Health/Suicide among children and adolescents

The trend of depression is rising worldwide. There are limited studies on depression in adolescents and a study was conducted on the prevalence of and identify the factors associated with depressive symptoms in adolescents in Kuching, Malaysia.

A cross-sectional study was conducted on 320 students from urban and rural secondary schools. The participants were randomly selected via multi-stage sampling. They completed the Malay versions of the Children's Depression Inventory (CDI) and Beck Scale for Suicide Ideation (BSS). There are many different variables associated to develop depressive symptoms.

The prevalence of depressive symptoms in adolescents was high. Depressive symptoms are significantly correlated with suicidal ideation. Greater collaboration between the education and health agencies is essential for mental health promotion in schools and early detection of depression, especially in atrisk adolescents.

Borneo Post Nov 12, 2019

Dato Sri Fatimah Abdullah said there was a rising trend of youths between the ages of 13 and 17 who displayed suicidal ideation. Her ministry had organised a workshop to develop a mental health management framework for Sarawak, which would include terms of reference, guideline, standard operating procedures, advocacy and social intervention programmes.

"The complex nature of issues related to mental health occurrences in Sarawak warrant it to be addressed in an integrated manner," she said.

Education + Health Agencies =

mental health promotion in schools and early detection of depression

Key Issue

With limited counselling and psychological services available, school administrators and public health officers should take into account the factors (ethnicity, number of siblings, and urban/rural location) in planning early detection and intervention programs are needed to expand mental health services for young people in schools and communities.

Green Ribbon Group (https://greenribbongroup.com/)

Now more than ever, access to mental healthcare is fundamental in ensuring the well-being of our society for generations to come, given the rise in stress, anxiety, and depression from socio-economic issues faced by all as a result of the COVID-19 pandemic.

This Social Enterprise aims to empower stakeholders involved in raising awareness of the monumental mental health issues people currently face. It also seeks to create viable solutions through advocacy, fundraising, and collaboration.

ThoughtFull Hub PLT (https://www.thoughtfull.world/)

The app conducts therapy through 1-on-1 daily coaching sessions with professionals to work towards the patient's goals.



Three significant factors were associated with depressive symptoms among our adolescents; ethnicity, number of siblings, and urban/rural location Adolescents of Chinese ethnicity were found to have more depressive symptoms compared to other ethnic groups. Students who stayed in urban areas were more depressed compared to those in rural areas.

Ghazali, S. R. & Azhar, A. (2015) "Depressive Among Adolescent i Sarawak" Malaysian Journal of Youth Studies 141- 14







The Ageing Society

Studies show that Sarawak is expected to record a higher percentage of senior citizens (over 60) by 2030. With this projection, there will be an increased demand for day-to-day care centres to ensure their well-being and welfare in order to have a healthy and active lifestyle while remaining independent and avoiding major health issues. There are other implications on overall human resource for the state and which also influences the design of programs and infrastructure, that meet the needs of the increasingly ageing population

In order to prepare for an increasingly ageing society, the private sector, via Social Enterprises (such as Social Enterprises: Silver Academy Amazingseniors and Teman) can drive more solutions to fill in this need on top of the strategies undertaken through the development of Kuching as a Healthy City.

Social Enterprises can consider providing products and services in the following ways:

- Aged Care or Senior care facilities modern-day "Rumah Pondok" which provides end-to-end services to the aged.
- Designing for the Aged providing consultation and design services for town planning, building design, product design with consideration to the ageing society
- Security for the Aged many lone seniors requires monitoring/security systems that require various layers of technological solutions and care covering home safety and monitoring devices and all the while providing human interaction and companionship.

Teenage pregnancy

School dropouts are the biggest contributors to teenage pregnancy

As at April 2020

Teenage pregnancy **623** % of unmarried teenage pregnancy **59.7** % of school dropout teenage pregnancy **97.6**

KWKPK statistics of teenage pregnancy in Sarawak

One-Stop Teenage Pregnancy committee (OSTPC) had identified several implications as a result of teenage pregnancy such as miscarriage for mothers, mental health risk, and difficulties in employment.

Some of the suggestion that was raised to curb this are the following:



Priority to intervene ethnic groups with high pregnancy rate 'kawin adat'



Enhancement of child marriages guidelines and SOPs by the Ministry



Awareness program that focuses on targeted teenage groups of age 18 years and below

Dayak Daily, June 12, 2020

Key issue:

With limited counselling and psychological services available, school administrators and public health officers should take into account the factors (ethnicity, number of siblings, and urban/rural location) in planning early detection and intervention programs are needed to expand mental health services for young people in schools and communities.



5.1.4 Environmental Sustainability

"As the government continues its transformation agenda towards turning Sarawak into a developed state with a high-income economy by 2030, we must be mindful of our moral and social responsibility to safeguard our environment and to sustainably manage and conserve our natural resources."

- Premier of Sarawak Datuk Patinggi Abang Johari Tun Openg

Sarawak is a spectacular natural wonderland, 70% covered by rainforest, and is a potential carbon sink to the world. Its extraordinary level of biodiversity boasts flora and fauna that are unique and have only just been discovered these past years.

The Heart of Borneo Initiative, by the World Wide Fund and in collaboration with Forestry Department, Sarawak among many other green efforts underscores the state's commitment to sustainable development which is drawing upon its pilot projects in Kapit and Sri Aman amongst others to develop the Green Economy Plan by 2025.

To boost efforts to live sustainably, there are other aspects particularly in the green and circular economy that Sarawak can address and in which Social Entrepreneurs can play a major role by providing solutions beyond recycling (reuse and repair)

Eco businesses include:

- Developing better farming practices and systems for farmers - improve farming value through natural/organic farming, reducing agricultural waste, developing farmers' entrepreneurial skills, and addressing food security particularly in the most vulnerable communities/interiors of Sarawak. WormingUp, a Social Enterprise based in Kuching, saw a need to provide opportunities for existing farmers as contributors to the circular economy.
- Reuse and Repair businesses or processes Plastic, as a material, is still hard to replace. No other alternatives provide the durability and reliability that it offers. In view of this, traditional businesses and Social enterprises alike are looking at new ways to enable the reuse (and not just recycle) of plastic bottles and containers in order to lengthen their useful life and reduce plastic waste in landfills. New technology and solutions can be developed to push this agenda forward and help make it easy for everyone to consume less, or consume more sustainably.



Circular Economy is a model of production, consumption, waste management, which involves sharing, leasing, reusing, repairing, refurbishing and recycling existing materials and products as long as possible.

-Circular Economy Plastic Roadmap Malaysia myAPEC 2020

"In Australia, a study conducted by KPMG estimated that the benefit of a circular economy will likely rise to US\$210bil (RM867bil) in GDP and an additional 17,000 full-time equivalent jobs by 2048.

The European Commission's Circular Economy Action Plan aspires to increase the European Union's GDP by an additional 0.5% by 2030 and create around 700,000 new jobs." -KPMG Malaysia 2021



Case Study Pirika: Tackling Environmental Waste

Pirika which means "beautiful" or "clean" in the indigenous Japanese language of Ainu, first developed in the research lab of Kyoto University after the founder observed that 95% of all environmental issues were caused by company marries different littering. The technologies to solve the crisis of litter. Embedding AI to map out and determine the size and amount of litter, Pirika as an app feeds data into research to evaluate the effectiveness of anti-litter campaigns from visuals taken by its participants/users of its social app. Pirika Inc has also developed a microplastics survey device to analyze the flow of microplastics in rivers, plants, and sewage plants to improve solutions to reduce microplastic waste in our oceans.

It has today, over 1,800,000 users in 111 countries. As of date, over 200 million pieces of litter have been picked up by the general public.

Pirika gamifies the process of picking up litter and encourages people to network, support each other and create campaigns to support the cause, creating a platform to bring like-minded individuals together and motivating or influencing others to also be part of it. Occasionally, they throw in prizes and surprises to keep users motivated.

The data and research harnessed by the power of social networking services provide useful information to help local councils map out problem areas and design better solutions and spaces to tackle littering according to human behaviors.



The map shown above was developed with an NGO in New York in their effort to better inform the local authorities in hopes of introducing more effective solutions and manage resources betteressentially tax payers money.

Pirika quotes that littering behaviors of smokers in Japan for example, change depending on where they are. Local authorities, town planners and building owners and companies can therefore make design changes at Smokers Area, to "remove" any desire to litter.

Pirika is an example of how technology can be used to change consumer behaviors and create more sustainable habits by mobilising people, companies and government.



5.1.5 Arts & Culture

Heritage, Arts and Culture Facilitation Fund in 2022, whereby a sum of RM10 million will be provided. This special assistance will assist heritage, arts, and cultural organizations and associations to organize activities and enhance the capacity of the organizations. - Sarawak Budget 2022

As of Nov 30 last year (2020), Malaysian Handicraft's registered entrepreneurs numbered 6,032, with a value of RM215.05 million. - New Straits Times

Arts and culture-based social organizations have flourished in Sarawak, and form a good part of the current more mature group of Social Enterprises such as Tanoti House, Tuyang Initiative, and Catama Borneo. Community-based organizations such as Pungu Borneo and Jonita Enterprise are also driving the craft sector forward, establishing new economic ways of providing employment or income opportunities to the disadvantaged and ensuring more people can be part of the arts and crafts market. CENDANA as a government agency is highly supportive of the industry in Sarawak as with state-owned agencies.

Despite the burgeoning interest and potential of arts and culture in Social Entrepreneurship, it is the least understood in Higher Education Institutions, with apprenticeships and internships given to local creative entrepreneurs and their employees, by the Malaysian Handicraft (Kraf Malaysia). Creative Faculties have limited interactions with social entrepreneurship programs in universities and may not be able to provide the competencies that Social Enterprises need to grow more effectively nor help professionalize the industry to reach its potential.

There is also limited data and information on Social Enterprises in arts and culture as a form of economic activity, and their unique challenges are therefore even more difficult to understand.

MATEE (Mapping and Action in Traditional and Ecological Ecosystems) by Development Alternatives Group which does work in South Asia helps to "jointly identify pockets/clusters of cultural and natural heritage ecosystems fostering sustainable development of regional ecosystems through local creative and cultural industries and ecological practices."

It hopes to provide opportunities to generate sustainable wealth for those at the bottom of the pyramid by understanding the interlinks between natural resources and the cultural context of the ecosystem and ensuring that data, innovation, programs are offered to and by the actual guardians of their Heritage.

Globally, as in Sarawak, the Social Enterprise in the arts is commonly found in the areas of textile art, craft, fashion, and design. Capital, however, is more accessible to the areas of exhibitions, dealerships, and gallery sales, where access to capital is easier. So, access to financing is even more limited for the Social Enterprises in the Arts and Culture industry.

However, studies have suggested the interlinking of tourism with the arts which can create additional revenue models and strengthen the Social Enterprise's ability to sustain both the efforts in creating good art and engaging with communities to conserve and preserve culture and heritage.

Using technology too could also provide more dynamic experiences, interactions, and connections between the artist, the art, and the target audience and should be explored by the Art Hubs.

There are also huge opportunities offered by Intellectual Property consideration by Creative Social Enterprises - like Geographical Indicators and trademarks IP is currently underutilized by Social organizations.



"A geographical indication (GI) is a sign used on products that have a specific geographical origin and possess qualities or a reputation that are due to that origin" - MyIPO

The Sikka Ikat Weaving, Indonesia

Sikka Ikat weaving is a product developed over centuries by the local community in the Sikka Regency of East Nusa Tenggara. Its strong cultural factors, which have influence over the patterns and process of colouring used on the weaving products makes it very difficult for others to replicate and its symbolic cultural meaning unique to the community.

Now as a protected geographic indication in Indonesia, it hopes to guarantee the quality of Sikka Ikat production. Anyone or any producer who intends to use the name Sikka Ikat Weaving must become a member of the Association - also in order to protect its artisans and elevate the status of crafters and the industry as a credible career choice - also allowing young people to use this skill and grow their local community without migrating elsewhere.

Sarawak stands to gain immensely from geographic indication, taking full advantage of its rich heritage and culture by recognizing its traditional craft, food and other items, as a valuable tangible asset. Sikka Ikat clearly demonstrates how GI can empower and elevate the status of local, artisanal communities and knowledge, and turn these hidden gems into sustainable businesses.









Policies are well Implemented



Social Enterprises





National (or state) body coordinates and advocates for SE interests



Government collects relevant data on social issues and information is available for public consumption.



Sector specific policies for SE participation in service delivery

Policy & Regulation



Infrastructure is well developed in urban and rural areas, is affordable and accessible



SEs benefit from legal incentives

A Matured

SE Landscape

SE issues are successfully integrated in mainstream business

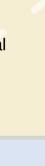




Active research community in SEs / social entrepreneurship



Capacity Building-dedicated organizations offer both technology and business programs available in outposts both rural and urban





Education system nurtures an entrepreneurial mindset and prepares students for a career in SE sector



SEs are encouraged, not obstructed to use existing infrastructure



Grant funding is available from multi-stakeholders (example: Govt, Corporations, Individuals)

Infrastructure & Human Capital



There is sufficient pool of skilled labor for SEs



Working or starting an SE is considered a desirable option



Companies provide both financial and technical expertise to catalyse in particular, rural SEs

$\stackrel{\longrightarrow}{\longrightarrow}$

Commercial credit and credit guarantees are affordable and available for SEs

Financing Solutions



Consumer financing is available for SE customers particularly from disadvantaged communities





No central body to give guidance and streamline processes

Most programs cater to a general demographic profile not taking account of Sarawak's language and cultural diversity



Ecosystem players are not all aware of each other and/or of the work (and depth of the work) that they do.

Policy & Regulation



Unclear direction for impact or sustainability goals



Lack of awareness of Social Enterprises and social entrepreneurship



Information,



There is no Social Enterprise network in Sarawak to push the agenda forward



Private and public Universities in Sarawak promote Social Enterpreneurshp but no specific curriculum which cuts across faculties



Start-up Hubs and operators in Sarawak Digital are not fully SE ready in terms of competencies and skills to support SEs



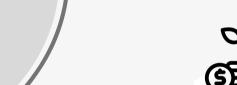
Road access and internet coverage can be improved - impedes sales/servicing in rural areas

There is still a very

low prevalence of SE

amongst students

(generally in Malaysia)



Emergence of microfinancing for Social enterprises but unsure of its reach in Sarawak



Crowdfunding opportunities can be included in the ecosystem conversation



SDIE Ecosystem

Gaps & Opportunities

Financing for social innovation (at point of ideation) and precommercialization



initiatives is limited





Little corporate sector awareness and involvement in the financing of social enterprises across all growth stages.



Where financing is available it is not flexible enough to consider the different and actual needs of the SE



Not many large corporations provide expertise to support SEs



Support is "distant"-Access and support for SE is mostly only in major cities/towns



Infrastructure &



No local intermediaries to manage services and facilitation provided by all enablers/players.



Key Strategic Thrusts







Capitalise on existing infrastructure and support grassroot SE development



Develop a culture of sustainability (living, business) in Sarawak

Policy &

Regulation



Goal: A Vibrant SE landscape which supports the creation and growth of Sarawak SE*Hebat contributing to Sarawak's sustainable growth and prosperity



Timeline I Key Strategies (by Dimension)

Financing Solutions

Infrastructure & Human Capital

Information, **Knowledge & Networks**

Host an annual Social

Enterprise/ Business Day

provides a platform for

awareness, education

Social entrepreneurship

through multi-channels

and methods accessible

to all layers of society

and dissemination of

Long-term

Encourage sustainable living and production to change behaviors and practices of consumers and mainstream businesses

Mid-term

Strengthen ecosystem by activating more stakeholders into the sector, and expanding programs/ incentives to help SEs scale



- stock-take and map existing assets &
- · leverage through collaboration and sharing

Create a Sarawak **Task Force**



Multi-stakeholder committee to:



Develop, monitor & make public, shared goals & indicators and activities



Develop incentives/ benefits and investments for **SEs**



Educate and create awareness to the general public on relevant policies on SE & sustainability



Engage in periodical dialogues /townhalls with different/diverse



Mainstreaming Impact Assessments for all businesses



Promote the cultivation of Social Intrapreneurship in Public Sector and Large Companies



Incentivize low carbon emission business practices by businesses/ organizations



Promote involvement of Private sector in Key Focus Areas



Include Social Enterprises in the Free Industrial Zone (Digital VIIIage)



Intellectual rights protection with special interest in SEs or social innovation



Centralize and streamline administrative processing and SE program /Service mapping and improve service efficiency



profiling of SE



Effectively communicate all policies and strategies for



Develop a Waqf fund for Social enterprises with underutilized government/ s corporate assets



Incentivize social enterprise specific funding and financing by the private sector



Facilitate access to consumer financing for SE products and services.



Sarawak

Develop an SE*Hebat Ecommerce platform (or partner with) to showcase and ease business transactions for SEs

Expedite the strengthening

of digital infrastructure

especially in rural areas



10 0 0 K

Continuous marketing and showcasing of social enterprises (short-term to long-term)



Develop a Sarawak SE Fund contributed in part by citizens, corporations and the government



Develop frameworks to use Carbon Credit (via carbon trading exchange)



Raise matching funds, or project financing with foreign impact investors or grant makers for scalingup SEs



Use technology to catalogue and protect the wisdom of the grass root and enable connections with scientists and researchers in developing solutions.



Provide Student apprenticeship/internship opportunities in Social **Enterprises**



State government and universities to collaborate to commercialise Social innovations and develop student SEs



Enculturation through Eco/Social Tours to allow consumers to fully experience SEs.



Ecosystem players to link to SE ecosystem networks



Use existing infrastructure such as DCC, PEDi and DIHs to enable grassroots social entrepreneurs





Encourage Social Enterprises in Sarawak to develop a Social Enterprise network



Develop research studies case examples or SE stories palatable to the general public



Leverage on outcome data from existing support systems and improve use and analysis of data.



Laying down the foundation

infrastructure

stakeholders



Develop Self-Assessment of SE status (system, indicators etc) to ease registration and

SEs to the general public



available Provide early stage grants with more flexible terms and based on SE profile

and to NGOs transitioning

to SE business models

Map and publish existing

schemes Matching SE to

Investor vice versa is also

SE relevant financing



Map and publish available SE curriculum, programs, courses in institutes of learning (Secondary and IHLs) & other education, training centers



6.0 Sarawak Digital for Social Enterprises

The Sarawak Digital is well equipped to provide support to Social Enterprises as it already has the start-up infrastructure and a myriad of programs to support the creation and development of Social Enterprises, especially within their localities. The gaps and opportunities addressed at an overall ecosystem level, also apply to Sarawak Digital players. More specifically though, as Sarawak Digital players will need to play a critical role in catalyzing more concerted efforts for Social Enterprise development, we need to bridge prevailing gaps in the ecosystem, leverage the strengths of the hubs and take on the opportunities available.

Strengths

- The ecosystem already provides extensive support and infrastructure to the digital and technology entrepreneur through co-working spaces, training and advisory.
- With 8 players across the state and even more Digital Community Centers to come, the network can be far reaching and address development of enterprises at all layers of society. Hubs also have demonstrated keenness to include small businesses and provide advice and guidance to improve business process and innovation at community level.
- TEGAS DIH already provides capacity and capability development support for SEs, historically through the LIVEWIRE in partnership with Shell and eventually developing their own accelerator program. They continue to also vigorously engage with Social Enterprises.
- Community builders within the organizations provide good reach to grassroot entrepreneurs within their respective communities.
- Sarawak Digital players already serve 5 entrepreneurship verticals with a ready pool of entrepreneurs
 - there is potential for crossfertilization of ideas and innovation between verticals with coordinated efforts
 - Would-be Social Entrepreneurs likely exist among them too.

Gaps

- Limited understanding of social enterprises (definition, baseline), in most DIH and Centers which makes it difficult therefore to identify Social **Enterprises** and their promote and support Enterprises. A DIH representative for example was not able to see entrepreneurship potential husiness model entrepreneurs in their respective industry.
- Cohesion and synergy can be improved between Sarawak Digital players and with other ecosystem players. Ecosystem players don't know at length, the programs and services currently offered by other ecosystem actors
- Services and programs currently attract an urban centric audience and limits reach to other potential Social Enterprises in different segments of society.
- Impact and success factors of interventions deployed is currently defined at output levels (number of workshops, number of entrepreneurs) and will not necessarily result in intended positive outcomes with longer-term value.

Opportunities

- Social Enterprises can benefit from the existing infrastructure and services offered by Sarawak Digital. Programs, however, they need to be tweaked, tending to the peculiarities of the social enterprise of differing typologies and growth stages.
- Develop a Sarawak Digital circle (similar to the Impact HUB network) or enhance the DIH Operators Forum with monthly casual gettogethers, and encourage sharing of knowledge, best practices, and learnings from the Social Entrepreneur and Social Enterprise perspective.
- Develop a central repository for best practices developed by all DIH on specific areas based on their respective mandates and shared within Sarawak Digital. For example:
 - MYTIC on Rural entrepreneur development (for SE at grassroots)
 - TEGAS DIH on Sarawak Social Enterprise Accelerator
 - SIC Food business acceleration
 - CHIC Film development and support for content creators
 - SDX VR and robotic trends, and innovations to support Social Enterprises in Healthcare and Education for example
- Expand key impact metrics for Sarawak Digital that includes other outcomes over the medium and long term to include change in behavior, environmental and societal changes for example. (refer to Starting with the Logic Model)
- DIH can fill in the roles as intermediaries - aggregating players within their own community level ecosystems



Case Study: A Hub, By Youth, For Youth

A Case Study of Pertubuhan Belia Parlimen Mukah (PBPM)

The need

It all started in 2011. Intending to provide equal opportunities for youth in Mukah, it was inspired by the Member of Parliament (MP) Mukah. At that time, Pertubuhan Belia Parlimen Mukah (PBPM) was not yet registered and all of their activities were funded through grants. Since their funding was mainly utilized for conducting activities for youths in Mukah, they needed to figure out a good and affordable location for the activities to be conducted. This was when they decided to rent a building from a local authority (*Pihak Berkuasa Tempatan*, PBT).

The building sits within a reasonable distance for most youth and where they can do a lot of things in that area. Besides this, there is a football field right in front of the building.

This provides another space for the PBPM to utilize for any of their outdoor activities with permission from the local authority.

As years passed by, PBPM decided to formally register their organization to gain more credibility and recognition to grow and develop more and better programs. One of the main reasons why this is important to PBPM is because public recognition is crucial especially when they require more funding and when conducting community-based activities.

PBPM was officially registered with the Registrar of Youth (ROY) in 2014 and was able to increase the general public's trust in PBPM and what they were doing. This registration helped them persuade the youth's parents to allow their sons and daughters to participate in any activities conducted by the PBPM.





The opportunities

YB Royston Valentine, President of PBPM, truly believes in the potential of youth in Mukah based on their commitment and passion shown since the establishment of PBPM. All they need are the right opportunities.

One of the opportunities they offer is an entrepreneurship initiative called 'Rakan Niaga Belia' (RNB). He realized that with the existing space that PBPM has, it could be fully utilized as a place for entrepreneurial activities. However, due to several restrictions imposed by the owner of the building (i.e. the local authority), they were not able to rent out "space lots" to interested youth who wanted to operate their business there.

To overcome this challenge, Royston and his team decided to change from a rental model to monthly contributions. Through this nominal contribution, youth could utilize their space designated by the PBPM to conduct their business without worrying about its legality. Each month, they would be required to contribute as low as RM150 in order to operate according to the building's opening hours; usually from morning until late at night. The benefits extend beyond the space as they get to enjoy other things such as office equipment and include utilities -benefits common to co-working spaces.

Some of the youth-driven businesses that have been supported are Car washes, Food & Beverage Vendors and Sports Equipment repairing.

It is a win-win situation since these entrepreneurs have better value for their monthly contribution and it gives a sustainable revenue stream for PBPM. This creates a better sustainability avenue for both sides. Moreover, the business activities that are going on there attract the public to come over to the building and indirectly get to know the existence of the PBPM and all of their activities.

PBPM also provides the space for the youth and entrepreneurs to learn about digitalization such as online banking and digital marketing. This is to help them grow and extend their reach beyond Mukah.

To attract the youth to come over to PBPM and to provide a healthier digital lifestyle, PBPM also conducts e-sports tournaments depending on which e-sport is trending at that moment. These events also enable the entrepreneurs of the RNB to generate more income and help promote and expose their businesses to a larger audience.

As a result of their hard work and dedication to helping develop youth in Mukah, the Mukah Youth Transformation and Innovation Centre (MYTIC) was established in partnership with SDEC to scale up and wide.



6.1 Strengthening Sarawak Digital's Capacity as Change Agents





Building a Strong Foundation

Developing

the Critical

Mass

Enhance internal skills and competencies

- Sarawak Digital DIH operators must all have at least basic SE-specific skills and competencies covering in particular impact measuring (via Logic Model, Social Entrepreneur profiling, Social Enterprise growth stages, accreditation processes.
- Other technical expertise can be provided at the central level as a shared resource. example: Impact evaluation (SROI) and auditing, SE business modelling, negotiation skills.



Canvas the Community for hidden local gems

Respective DIHs must be empowered to:

- Discover and pinpoint potential social entrepreneurs.
- Identify key issues in their communities and solutions developed by their wisdom (if available), collect and document observations and findings
- · Identify local ecosystem players:
 - community leaders and influencers as potential social enterprise "inspirators".
 - local corporate bodies and associations which are willing to support social enterprise development by way of funding, expertise, supply chain, or which are interested in developing social intrapreneurship capacities internally.



Educate DIH's local communities on Social Entrepreneurship

- Help people discover social entrepreneurship by allowing the public to interact with social enterprises and their social innovations at the DIHsshowcasing both the entrepreneur and their products and services.
- Make facilities and co-working spaces, Senior and PWD friendly with examples of social innovations and designs that seamlessly integrate with the existing infrastructure and potentially attract a more diverse pool of entrepreneurs.
- Organize thematic competitions (like the Smart City Competition by SIbu) to solicit ideas from citizens of all ages. Include essay writing, storytelling, arts, and culture exhibitions as well, to engage with an even wider audience. See Fukuoka Social Business City.



Profile Social Entrepreneurs and Enterprises in the community

- Facilitate social enterprises self-identify and qualify as Social Enterprises.
- Develop a profiling method for Social Enterprises that strongly follow SE accreditation criteria. Social Enterprise Mark provides a useful list of criteria and their corresponding supporting evidence required for this purpose.
- Monitor and measure the progress of entrepreneurs and their enterprises based on key growth levers. Encourage Social Enterprises to do this themselves in order to gain access to Sarawak Digital for-SE programs and interventions.



6.2 The Coordinating& Support Unit for Sarawak Digital

A central unit needs to be created to coordinate SE efforts by all Sarawak Digital drivers in line with a shared goal. This will facilitate the process of engaging with other stakeholders in the larger ecosystem and ensure that Sarawak Digital players can also be provided with the assistance they need at this early stage.



This central unit will assist in the following ways:

Policy and Regulation Implementation

Pushes for Policy and Regulation reform as outlined in the recommendations (example: Mainstreaming Impact, and streamlines government process for social enterprises)



Social Enterprise Research and Development

- Develop and host the repository/system for social enterprises support and impact measurement
- Determine the type of support required by the Social Enterprise
- Share experience and best practices developed by Sarawak Digital members



Development of linkages with ecosystem players at national and global levels in order to:

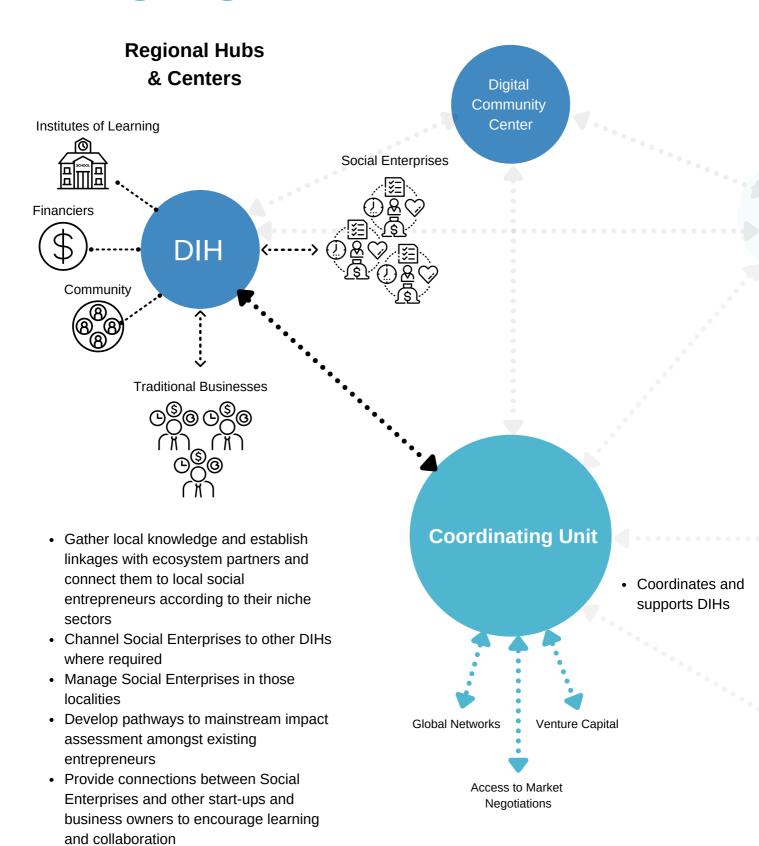
- Develop market access opportunities for SEs (domestic and global),
- Provide access to global Venture Philanthropists and Impact Investors for Sarawak Social Enterprises.



Coordination of larger state-wide initiatives like a Social Enterprise day, or Social Enterprise Village, and Social Enterprise tours for example.



6.3 Roles of Sarawak Digital as a Change Agent Network





• Provide the space for Social Enterprises

to advertise job opportunitiesShares resource and knowledge

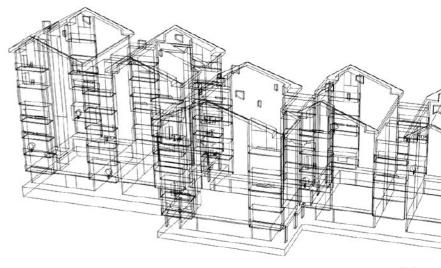
6.4 Venture Building as a Potential Model for SE development

Sarawak Digital players should consider building their social ventures as would start-up factories or tech studios. Venture builders, draw business ideas from within their own networks and assign internal teams to develop them. Sarawak Digital can develop teams from across their DIHs and centers to spearhead specific ideas and solutions to address more complex issues which can potentially drive the systemic change in the long term. These issues can not be solved by a single social entrepreneur.

The areas that the venture building initiative can take on may be based on the following criteria:

- 1. Require a substantial amount of funding to get started/explore
- 2. Require specific knowledge/skills (eg: technical skills)
- 3. Require extensive linkages from multiple bodies (local and international) for the SE to work

An example of a project that Sarawak Digital could consider showcasing is Forest Conservation / Reforestation using carbon credits from international corporations. The venture builder could collaborate with established carbon exchanges from around the world and work on a framework to finance the conservation effort in selected areas in Sarawak via funding from carbon credits. The carbon credit market is still at its infancy stage and is still relatively unregulated and therefore presents itself as an underexploited source of opportunities and possibilities.





6.5 SE*Hebat Taskforce

The Sarawak Task Force as mentioned is the governing body at the policy level to advise, develop and monitor Key Impact Indicators for Sarawak. It should involve multiple stakeholders, including Social Enterprises, Not-for-Profits, grassroots innovators, public and corporate sector representatives. SDEC should chair this Task Force but eventually, the chairmanship should rotate to consider other stakeholders in the ecosystem.

On top of this and In order to strengthen linkages with different agencies and key ecosystem players, we suggest the following activities.



Roundtable discussions

- Gather key representatives from stakeholders in the ecosystem to discuss and actively listen to specific issues or topics every 4 months
- Ensure a purposeful conversation to head towards a common goal



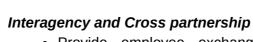
Yearly Townhall Sessions

- A culmination of all agencies involved to share updates on yearly progress, challenges
- It can also be a platform used to acknowledge the best social initiatives by any government agency and award Social Enterprises in Sarawak for best impact achievements.



Regular Industry exhibitions

 Encourage SE marketplace at Ministries and the general public at exhibitions. This should also include virtual exhibitions, using new virtual conferencing platforms



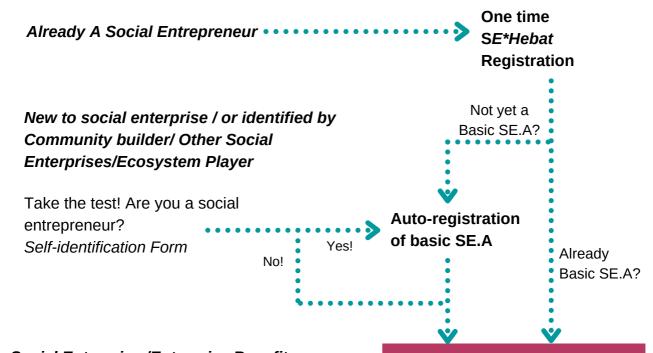
- Provide employee exchange or internship opportunities between agencies and stakeholders to learn from each other in order to better develop programs and interventions
- Develop Ministry's support/ buy-in to ensure participation from agencies in social entrepreneurship programs developed by any stakeholder (example: Kementerian Belia dan Sukan (Federal) provides social business 101 training). Agency representatives can leverage this and participate.





6.6 Mechanism to Track Social Enterprises

We believe that in line with the digital aspirations of the state, a SE digital repository and SE support platform/app would help streamline inter-agency/actor efforts to benefit the Social Enterprise in various aspects - addressing the key challenges that they are facing based on their unique needs.



Social Enterprise /Enterprise Benefits

- has access to full suite of services by Sarawak Digital based on profile /growth stage
- gets updates on latest programs and initiatives, and directory of enablers in the ecosystem
- able to see other social enterprises and businesses in their sectors of interest
- gets latest market updates, talent pool, and information on industries of interest based on Sarawak Digital research and best practices
- is provided with easy Impact Assessment tools are provided starting with the logic model
- is offered access to available financing schemes based on growth stage

Central Database: profile

- a. Social Entrepreneur
- b. Social Enterprise
 with standardised impact template

providing 2-3 key impact indicators based on impact areas.

System determines growth stage based on profile. Alerts Social Enterprises once they are ready for Accreditation +

Call for annual updates on impact if applicable (need to incentivize this process) or relevant Sarawak Digital enabler provides updates based on Social Enterprise participation/ involvement onto the system in order to capture data and information regarding the SEs growth.



6.7 Encouraging Accreditation

Why is it important? Accreditation allows Social Enterprises to validate their status, enhance their credibility, develop trust with investors and consumers, and help develop a community to drive social and environmental change as a collective.

Social Enterprises in Malaysia through the SE.A governed by the Ministry of Entrepreneur and Cooperative Development (MEDAC) can also potentially enjoy benefits such as tax incentives, market access, and funding provided by the government and private entities. Currently, the SE.A is being redeveloped and is scheduled to launch this in 2022.

There are other options that social enterprises can also consider, made available bγ internationally-based organizations such as B-Corp, USA and the Social Enterprise Mark CIC, UK which are independent bodies providing clear standards to Social Enterprises or sustainable and ethical businesses, and in doing so, also provides facilitation capacity building opportunities. something Sarawak Digital can look to do by not only looking at accreditation as an outcome but as a means to assist Social Enterprises to improve their prospects of growth.

"Accreditation helped me reflect on my business and determine whether or not I was doing the right thing to achieve impact."
- SE founder

Capital and fiscal incentives are identified as key motivators of the social entrepreneur's willingness to register:

- Current effective tax benefits were mostly enjoyed by the donors but not by the Social Enterprise. Donations as a source of funding, used mostly by social service providers to raise funds could also create confusion amongst donors.
- Social Enterprises prefer to enjoy tax deductibles on revenue/income and maximize on any capital injection to ensure they are able to grow.
- With the recent Budget 2022 announcement this 29th October 2021 by the Ministry of Finance, accredited Social Enterprises can look forward to tax exemptions on their revenue. If this can take effect soon, it will most likely prompt for more social enterprises registration and thereafter, accreditation.

By identifying the issues associated with accreditation as discussed earlier, we make the following recommendations to encourage more registration:

Make it easy to register

Process of self-identification provides a green lane to at least basic registration (national level)

(basic to plus)

Add on incentives

Offer reduced rates for programs and services for accredited Social Enterprises

Provide exclusive for accredited only programs: pitching events, exclusive dialogues with SE superstars, etc

Provide advisory services

for accreditation registration

Promote and share experience

Accredited Sarawak SEs as ambassadors share their stories, experience as accredited SEs Provide promotional content in local dialect for rural outreach



6.8 The SE Legal Framework

To enable social entrepreneurs to make better-informed decisions, the advantages and disadvantages of each option need to be clearly provided based on the industry and their targeted audience.

It is important however to ensure that no matter the legal structure, Social Enterprises accountability need practice transparency on impact and profit (and its use). This helps in distinguishing the SE from the conventional business. However, moving forward. anticipate we that impact measurement will become the mainstream as contributing to positive impact will become ingrained into the DNA of any and every business.

As Social **Enterprises** lack formal Sarawak Digital governance structure. players are recommended to strongly encourage registered Social Enterprises to develop at least a board of advisory in place of a board of trustees or governors (if this isn't mandated) to provide an added level of oversight and open up better opportunities to network.



The Langit Collective

The social enterprise initially registered as a Limited Liability Partnership. LLPs were at that time also deemed as the better option when registering for SEs as costs were lower, and combined the characteristics of a private company and a conventional partnership. Nevertheless

Over time, however, it proved more tasking to administratively manage especially as they were producing heirloom agricultural produce, including rice, which required many different types of licensing and permits. LLPs for this purpose were not recognized by the relevant authorities. LLP was more frequently used by legal and accounting practices.

They changed their vehicle in 2018 and became a Sdn. Bhd.





7.1 Role of the Large Corporate Body

Large companies play an important part in the development of early-stage companies. Oftentimes, companies as demonstrated in the initial mapping of the ecosystem, are later stage actors which prefer to invest in more matured Social Enterprises with good track records, in trying to reduce any risk of investment.

Large companies which invest resources (time and in-kind resources in particular) in developing the early-stage social entrepreneur or the social initiative are most likely to invest in the Social Enterprise/ Business as they grow and deliver outcomes.

This suggests that **developing relationships at the earlier stages**, between the corporate body and the social entrepreneur, can raise the likelihood of receiving financing over the long run which is also in tune with the needs of the Social Enterprise. The benefits of such engagement do not end with funding only.

Shell Livewire program, for example, provides selected Social Enterprises with the opportunity to be mentored, coached, and guided by experts from their respective organizations from point of ideation.

Such programs provide:

- credibility to Social Entrepreneurs when they are only just starting,
- · access to wisdom and learnings from experts,
- helps open doors, and provide go-to-market support

which results in more rapid improvements in overall operational effectiveness to reaching scale.

Another notable example is IKEA Social Business, which offers accelerator programs developed with both international and local intermediaries (depending on the country) to make Social Businesses corporate-ready - and effectively includes them in IKEAs supply chain.

Corporate bodies also have an immense potential to influence policy and use their bargaining power to push for Social Business/ Enterprise friendly incentives and regulatory frameworks. Of course, this is contingent upon the companies' depth of understanding and own internal sustainable goals. Large companies and banks direct procurement and partnership terms to include selecting sustainability only those which demonstrate commitment to producing sustainable goods and services.

Beware the pitfalls!

However, large companies can also while well-intentioned, hamper early-stage growth if they are not mindful of the common pitfalls when engaging with social enterprises.

- Asking for more than the intended SE scope-Early-stage Social Enterprises already have the burden of managing dual missions and coming to solutions that meet both these agendas. Large companies which make demands outside the SEs intended scope may divert the latter's already limited resources to managing unsolicited issues.
- Rigid reporting Reporting requirements imposed by the corporate body, may not necessarily support the Social Enterprises in properly assessing their impact nor is it useful for their internal business decision-making.
- · Lengthy and costly bureaucratic processes -Large companies, because of their size may respond slower relative to the Social Enterprise which requires speedier inputs. This may put a on the development of strain a more constructive and productive relationship. Imposing transactions that can be extremely costly to the early-stage companies (legal /litigation documents) also compounds this problem.



7.2 Nurturing Grassroots Innovators

Instead of treating poor people as a sink of public aid and assistance, we should view them as a source of new ideas and innovations. - Anil Gupta

The authors believe that grassroots communities will play an important role in pushing the agenda forward. They are an untapped source of talent. Dr. Anil Gupta of the Honey Bee Network and prominent scholar in grassroots innovations has over two decades studied and discovered ways to foster grass root innovations and offers inspiration and best practices that can be adopted.

Yayasan Inovasi Malaysia (YIM) is a grassroots innovation development agency under the Ministry of Science, Technology and Innovation and has developed (MOSTI) establishment in 2008, initiatives to identify and facilitate the development and funding of innovations. particularly in grass-root communities. It hopes to potentially develop commercially viable solutions to improve the well-being and quality of life of people especially the poor and disadvantaged. It has contributed immensely to the Honey Bee Network, with more than 4000 innovators nationwide.

There is scope for more collaboration between different stakeholders to ensure initiatives for social innovation can be embedded into the Social Entrepreneurship ecosystem more cohesively and sustainably, channeling existing knowledge and wisdom from the ground up into replicable and scalable businesses.

There are also other recommended ways to encourage and nurture innovations from the grass root which includes:

- Providing maker in rural spaces communities, allowing them to create solutions in a safe and guided environment. The Digital Community Centres and PEDi can play a role to empower the B40 by making the connections between their peers and other innovators, scientists, and fund maker. It is crucial therefore to ensure that the talent at each respective center or maker space is properly trained and provided with the support and facilitation required to effectively undertake this endeavor.
- Incentivize funding for grassroots innovation, and making it cheap and easy for the individual to start innovating, and eventually licensing or patenting their solutions. A fund can be developed by pooling resources by different interest groups, citizens, and participating individuals to allow for good innovations to scale.
- Celebrating, recognizing, and rewarding grassroots innovators where they live helps in developing a culture of innovation within the communities, providing communities with the innovation "superheroes" or sources of inspiration. Communities can also be a part of the celebration through events and activities with themes in line with the community issues of the day, drawing in people of all ages to think and take action.



7.3 Imbue Sustainability into Sarawak's consciousness

Making it easy for people in Sarawak to be sustainable and support/procure sustainable and inclusive options





7.3.1 Citizens

The fact that SE levels are low is a "problem" for Malaysian society, as the country may be missing out on an innovative way to support its citizens

(Wan Mohd Hirwani et al., 2014).

According to Wan Mohd Hirwani and colleagues (2014), citizens can be the source of innovative ideas

The #kitajagakita movement demonstrates Malaysians as caring and ready to help others in time of need.

In most cases, we all want to help. We may just not have the know-how. Sarawak Digital could provide a series of engagement activities with citizens on how help can happen more sustainably and in more ways than one.

Contributing a solution to a problem can be the start. Makerspaces and universities can open their doors to citizens so that they can be a part of the process of deriving simple solutions by inviting families, children, youth to build and make "stuff" that can improve their lives - it can be as simple as building a chair for the aged for example. By applying design thinking methods, families can truly engage with older family members, listening to their stories determining what is in fact a chair for the aged. It makes for a great interactive way of engaging different segments of society in a fun and meaningful manner.

Citizens need to be empowered to reimagine a better future and be given the inspiration and the encouragement, therefore, to do so.



Social Business City

Just like the Enabling Village, the Social Business City concept also provides citizens with more tangible evidence and awareness of social businesses and enterprises. "Housed" within a street, in a building, or as part of a city's strategy, Social Businesses are able to showcase and market their products and services and demonstrate how they create an impact on the wider population.

Social Business Fukuoka developed a social business incubator in the middle of a busy district which also opens its doors to the public. Customers are able to enjoy coffee by a food and beverage incubatee or join a class on drawing or sculpture delivered by a social business. Office space and workshop areas are shared. Childcare services by an SE is also offered to provide for families with children in the area, a service extremely valued and needed by the Japanese population. This also allows Social Enterprise incubatees to test and market their products and services hand in hand with citizens and their potential customers.

Efforts can thus also be built on top of the momentum already created by the Digital Village ecosystem and Kuching Healthy City, for example, providing opportunities for SEs to access different markets, and promote their goods and services and get the feedback and support they need from citizens whilst contributing to the larger goals of the state.



7.3.2 Empowering Consumers

Think with Google Search March 2020 Consumer trends

Inclusivity

"50% of all online APAC consumers agree that the practice of inclusivity is important to them, emphasizing people's growing desire for genuinely inclusive products and services that embrace their unique identities."

Environmentally Consciousness Malaysian trends:

- 285% YoY increase in "metal straw" searches.
- 85% YoY increase in "eco shop" searches.
- 70% YoY increase in "hybrid car" searches.

More than 50% of all online millenial and Gen-Z's in APAC believe that Secondhand is better than new as an effort to be part of the circular economy and being more financially savvy and prudent particularly regarding ownership



Source: The Straits Times, on the Enabling Village

The Empowered Consumer

The empowered consumer is users, patients, tenants, students, and other groups of consumers who have the tools to stimulate manufacturers and service providers to design, produce and provide goods and services that are more responsive to their needs.

Normalizing a sustainable lifestyle amongst Sarawakians requires a facilitating environment framed by policies that promote and develop good habits. By easing consumers into living sustainability with clear and specific instructions through guidelines and toolkits, it will empower them to make better consumption choices in line with sustainable goals. Projects by Borneo Laboratory like the Urban Green Pockets Project provides an interesting artful take on establishing a more meaningful relationship with nature using urban community-led gardens.

This will stimulate businesses to offer more viable solutions mainstreaming creating a positive impact across sectors and industries, their legal and business identity notwithstanding. There is enough research to suggest that sustainability is a key consumer concern, and businesses across sectors need to adopt more sustainable business practices in order to compete in today's market.

For this to happen more widely, good political will and courage are required from policymakers in both the public and corporate sectors in putting together policies that will encourage sustainable and inclusive habits on both the demand and supply sides, while catering to different segments of society. Policymakers need to provide the space for citizens, to reimagine a better world while giving examples of how this can happen.



Social Enterprises in Sarawak can pave the way to achieving Social Development Goals for the underserved and disengaged with the right facilitation and policies by the government. Encouraging consumers to lead a more sustainable life will trigger more demand for SE goods and services.

Conscious Consumerism and Shared Commerce

Increasingly, Malaysians have come together on social media and are using digital technologies to seek out opportunities to get used plastic bottles, bubble wrap, and food containers from others as a means to reduce plastic waste, extending their useful life and as a cost-saving measure for their businesses. This demonstrates that consumers are more than willing to be a part of "shared commerce" and develop better consumption habits. Businesses should also take notice and develop products and services accordingly, building in more sustainable alternatives and operations.

We have observed that efforts are however largely unstructured and have grown organically as loose movements are developed by concerned consumers and small businesses.

Relevant ecosystem players can play a supportive role in ensuring such efforts can be maintained and sustained, or provide data and information inputs to conscious consumerism.

- Make it easier for people to consume more sustainably by showcasing working solutions to everyday life or providing tips in leading a more sustainable lifestyle via mobile apps.

Examples of Purposeful Design and Innovations

The Enabling Village, Singapore brings together several social businesses and social innovations, and communities of many and different abilities (Deaf, Blind, Autism Disorder, Physically Disabled) in a "village" connecting them to society. It provides tangible examples of sustainable and development in day-to-day work, retailing and lifestyle. education. and training. The architecture and landscape were also purposefully developed to accommodate for this - large ramps, quiet spaces, green landscaping amongst others which enables and values everyone. A retailer, for example, provides opportunities to test solutions for the aged and the disabled - simple innovations which include larger printed displays and signs, help/assistance buttons, and trolleys that can be raised onto the payment counter. Recycling and reusing materials or waste is also encouraged and made easy.

Sunway Putra Mall launched in 2015, the autism-friendly shopping Tuesdays, called the Autsome initiative. It supports and acknowledges the autistic community with specially designed features such as the calming room, dimming lights, and lowering sounds and noise to meet the needs of people with the disorder and simultaneously raising awareness to the general public.

Consumers are able to engage in different aspects of social entrepreneurship more readily if we make it absolutely relevant and visible to them in their everyday lives.



8.0 Sarawak Digital Ecosystem: Tools and Frameworks

8.1 Growth Model of the Social Enterprise

We provide a description of 8 characteristics that good, impactful Social Enterprises should have. Ecosystem players can use this to determine the current profile of the Social Enterprise and tailor-make interventions.

We are also suggesting different growth levers depending on the stage of growth of the Social Enterprise - in overcoming challenges and in ensuring they can take advantage of the opportunities available to them during that particular time. This provides ecosystem players with an overview of the typical "journey" of a Social Enterprise. This will change as the industry develops.





8.1.1 Characteristics of the Social Enterprise Hebat

Understanding the qualities of a SE*Hebat would ensure ecosystems players can better determine areas of strength, weakness, and opportunities and chart a pathway for success with the enterprise. The goal is to enable social enterprises to have all 8 of them.



At Board & Management level (Gender, Expertise, Networks, Experience)



Innovativeness

Proactive

Consistently improves Adapts to change

Data-centric



Impact is deep

Solution achieves qualitative results to transform behaviors and lives in the long run.



Turnover growth

Can demonstrate revenue growth, plans and strategies.

(Worldwide trends suggests 1-10% increase during pandemic environment.)



Impact is wide

Solutions are far reaching

Employs the disadvantaged

Offers meaningful careers & progression

Market rate salary



Scalable solutions

Can be replicated in other communities

Developed through partnerships including competitors

Technology-enabled

Good Governance

Practices accountability and transparency in their activities, finances and reporting and makes this all available to different stakeholders.

*It is important to create a balance between quantitative results accorded in scaling up and facilitating deeper systemic change at the same time, or based on the communities at hand.



Long Term

Mid Term

Short Term

Growth Stage

Optimizes operational processes, develops low cost capacity to improve efficiency

This includes increasing staff productivity and automation.
Collects data and analyses outcomes from activities.

Is able to earn revenue above current cost. This can also be automated or digitalised.

- Automation and digitization support and advisory and funding
- HR support and advice for resource expansion
- Intellectual Property support

Early Stage

Very Early

Stage

Assesses market fit for solutions

(product or service) and identifies the most feasible business model and products. Projects HR requirements.

Continues to engage with target customers (and/ or beneficiaries) and assesses the activities and outcomes to meet impact objectives.

- · Flexible Grants and patient capital
- Legal and HR support
- Business coaching and capacity development
- Impact development advisory

Experiments

Plans and experiments, develops proof of concepts with customers, targeted communities to determine feasibility of their solution. This includes developing a theory of change and assessment framework.

Develops a vision and a business plan. Determines viability in the market- tests customers ability to pay, and ensures some traction.

Founders can be found operating alone or with a partner.

- Support for market research/data and feasiibility studies (also impact case examples)
- Business and Impact Management 101
- Expert sharing

Grows market share and enhance product offering.

With a proven product line, the business is able to expand further and ensure brand loyalty among existing customers.

Achieves financial sustainability.

Reports impact and publishes results

- Financial Management Advisory
- Impact measurement and communication support
- Mentoring to top leadership
- · Peer-to-peer support

Improves enterprise capacity to address the needs of the market, and maximize revenues.

The Social Enterprise attempts to increase capacity with existing resources to produce and provide services. Sales and marketing efforts ensues to cater to production.

Projects capacity and sales volumes.

- Sector-specific technical and operational support
- Networks, Peer-to-peer support
- Mentoring for top leadership

Considers expansion and develop replication models for other geographical regions or addressing same beneficiary profile.

The businesses would potentially have to look at local partnerships or joint ventures to ensure contextual fit (for both product and outcomes where directly associated)

Undertakes third-party impact auditing

- · Growth Patient Capital
- International/regional market access & nego
- · Partnership development
- · Impact measurement audits

Strengthens market share of product and determine ability to add / value add products and services.

Improve brand utility and loyalty of customers including adding features, product bundling, etc.

Social Enterprises assesses outcomes and ensure it is inline with their social objectives. Uses results to pivot accordingly. Shares insights.

This is easier if the product is directly linked to impact Example : each sold item provides meaningful income to the artisan.

Registers for accreditation

- Market Access
- Startup grants or patient capital
- Financial Management Advisory
- Branding and communication advice
- Working / office space

Growth Levers

stream.

Very-early-stage social enterprises are not generating revenue yet, early-stage social enterprises are generating revenue from sales, growth stage social enterprises have a well-established revenue

*Adapted from Growth Model of Social Enterprises, Social Enterprises as Job Creators in Africa, Siemenz, Stiftung.



8.2 Assessing Impact



8.2.1 Developing Focus Area Metrics for the ecosystem players

An example of a framework to help determine areas of support and facilitation most required by the Social Enterprise. This can be either done as a collective based on the role of ecosystem player or can also be implemented by the individual player

	Social Innovation	Talent	Social Enter'ship	Social Impact	Support	Money	Growth
Volume							
Quality							
Velocity							
ROI							

^{*}adapted from the Startup Commons

Items to Improve

- Social innovation: Problems, research, ideas, concept, products or services
- 2. Talent (enterpreneurial mindset, skills, attitude, passion, etc
- 3. Social entrepreneurship (mission, vission, culture, values, etc)
- Social impact (beneficiary or employee development where applicable, etc)
- 5. Support (knowledge, services, education, hr and admin)
- 6. Money (funding/revenue, grants, investments, sales)
- Growth (growth across all areas product volumes, quality and velocity, overall company growth, go-to- market according to stages, partner and channels, networks, etc)

Values to improve

- Volume (methods to improve such as culture building, communications and marketing
- Quality (methods to improve knowledge, experience, guidance and feedback look for example)
- 3. Velocity (methods to improve through tools and processes)
- Return on Investment (budget/resources vs output) - (methods to improve measuring, analysing, strategising and coordinating)



8.2.2 Impact Assessments

SE Impact Toolkit - Theory of Change for All

Starting with the Logic Model

Why?

Test the logic to your plans

The logic model is used to help anyone describe and illustrate a pathway to achieving social or environmental goals. It helps the social enterprise, for example, understand how their inputs and activities actually contribute (or not) to their intended outcomes. It provides a social entrepreneur rudimentary framework to start valuing their impact and which can be used internally (as the social entrepreneur) or evaluate your investments (the investor)

Plan with your stakeholders

Developing this model helps you to crystalise ideas within your organizations and with your key stakeholders including your beneficiaries and potential investors. It only provides a snapshot of your undertakings at that given moment. It will certainly undergo changes as you pivot your way to achieving better results.

Communicate with your external stakeholders

The definition of impact will differ from one organization to another depending on the context, goals and the problems it hopes to address. so the model ensures that you able to at the end of day, be on the same page as your key stakeholders.

Who should prepare it?

- The Researcher in the organization
- The Program implementer

whom both are engaged in the program and clearly understands the intervention.

When should it be developed?

At the very beginning, prior to the implementation of any program to ensure stakeholder buy-in and acceptance.

Useful references:

- https://thegiin.org/assets/documents/Webinar%20Slides/guidelines-for-good-impact-practice.pdf
- Step-by-step to Measuring Impact (myHarapan Impact Toolkit)



Logic Model

Problem we want to solve:_____ Project Timeline: Goal: Inputs **Activities Outputs** Outcomes What What are the changes What do we Questions What is the resources are observed/produced? want to do? needed for direct result of Short-term to ask Who are we the program our activities? Mid-term to be engaging? Long term successful? • No. of pax Short-term: · Engage in Time Engaged in Change in outreach Material Knowledge outreach activities Training **Examples** Money Attitude No. of Training sessions **Partners** Skills sessions Marketing No of Marketing Motivation Equipment campaigns level of awareness campaigns Mid-Term: Change in Behaviors Practices **Policies Procedures** Long-Term: Change in Social Conditions Environment **Economic Conditions** Political Environment External influences, Environment, Related Programs

This segment provides context and determines the type of the environment the program will be implemented it, to assess potential challenges and opportunities on on outputs, outputs and outcomes

Also helps understand if there are other similar or complementary programs which could denote potential future collaboration

Determines influencers (people or organizations who should be engaged or can be useful in sending the program message across



Examples of Indicators that can be used for the logic model and Impact Assessments

The impact value calculation is dependent on these indicators alongside overall benefit to society, benefit per RM spent or Return %: Target capital preservation

Rural Education

- · Ability to read, write, and calculate
- · Access to school, educator, and other infrastructures
- Documentation

Health and Wellbeing

- · Mortality rate and growth rate among infants
- · Nutrition intake per children, their stunting level, obesity and malnutrition rate
- Non-communicable Disease among adults and mental health support
- Physical and psychological support for senior generation, inclusive opportunities
- Improved health condition reduced rate of hospitalisation, reduced number of bed days / active days

Mental Health

- Improved self-care and self-esteem
- · Improved support services for patients
- The number of residents benefitting mental healthcare which is otherwise not accessible.
- New or improved services are provided by the number of patients registered.
- Number of hospitals, affiliated Service Delivery Organisations or other mental healthcare facilities helped.
- Other indicators that can be related to the focus category.

Poverty Alleviation

- · Access to workforce
- · Children are able to attend school
- Access to basic needs (clean food & water, safe accommodation, clothes)
- · Skills development
- Documentation
- · Entrepreneurship opportunity
- · Access to supply, market and financing
- Healthiness (including medical care)
- Contribution to own community



Environment - Waste Management

- · Amount of waste diverted from landfill (kg)
- Amount of waste recycled (kg)
- Amount of waste reused (kg)
- Emissions or pollutants reduced or avoided
- · Other indicators can be related to the focus category.

Skill & Training

- Percentage rise in offered salaries after the training programme
- · Improved self-esteem
- Improved productivity at work
- Number of participant access to job opportunities after the training programme
- · Improved learning outcomes per training
- · Number of students served
- Number of educational institutions helped
- Other indicators that can be related to the focus category.

Job and Employment

- Improved access to meaningful jobs for the underserved communities
- · Self-employment generation
- Number of participation in specialised programmes conducted for the reporting period
- Number of jobs created and supported
- Number of marginalised, unserved or underserved group access to employment
- · Number of women access to employment
- · Other indicators that can be related to the focus category.



8.2.3 Impact Investing

The following is a suggested framework in making investments, including identifying and selecting the right investee companies or grant recipients for the investor.

Strategic intent

- Sourcing and defining potential organizations
- Define strategic objectives consistent with the social or environmental focus of the investor
- Manage impact on a portfolio basis

Evaluation and Selection

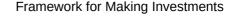
- Evaluate the expected impact
- Screen the selected companies
- Identify potential contribution to the achievement of the total impact goals

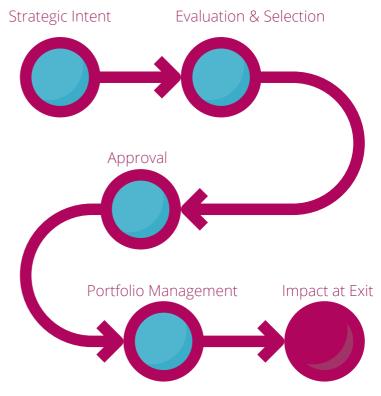
Approval

 Evaluate and approve through an approval committee (include industry experts, and other external stakeholders)

Portfolio Management

- Monitor progress of each investment in terms of impact and overall business against expected results and respond appropriately
- Evaluate and manage potential negative impact of each investment





Exit

- Conduct exits considering the effect on sustained impact and fund timeline
- Review, document and improve decision and process based on achieved impact and lessons learnt



8.2.4 Evaluating the SE for Impact Investments

Based on our research and experience in impact investments, the following can be applied to make impact investments decisions. There are 7 main drivers that will be evaluated which include assessments on the Social Entrepreneur and the Social Enterprise.

These value drivers are:

- 1. Sustainable Business Model
- 2. Availability of a Prototype
- 3. Abilities of the Founding or Management Team
- 4. Market Risk Reduction
- 5. Existing customer and first sales
- 6. Impact Alignment (to plans)
- 7. Business Roadmap

Table 4: Example of Scoring for SE Assessments

Value Driver	Objective	Choose Parameters	Description	Value
Sustainable Business Model	Sustainable Value	3. The business model is solid	KEY BUSINESS RESOURCES AND IMPACT TARGETED ARE COMPREHENSIBLE AND THE VALUE PROPOSITION IS CLEAR YET MORE THAN 35% REVENUE DEPENDING ON DONOURS.	3
Available Prototype	Reducing Output Risks	4. Product/Service fits the social and market	THE PRODUCT FITS THE SOCIAL, ENVIRONEMENTAL AND MARKET NEED, THERE IS A LOT OF POSITIVE OUTCOME, VOLUNTEER, BENEFECIARIES & CUSTOMER OUTPUT AS WELL AS CUSTOMER INCREASING NUMBER OF SALES EACH MONTH, THE NEGATIVE IMPACT RATE IS LOW	4
ubilities of the Founding or Management Team	Reducing Implementing Risk	5. Team is excellent	ALL STAR TEAM, EVERY TEAM MEMBER HAS ALREADY PROVEN HIS OR HER ABILITIES, TEAM CONSIST OF; SOCIAL ENTREPRENEUR/S, FORMER MANAGEMENT OF BIG CORPORATES, GRADUATE FROM ELITE UNIVERSITY	5
Reducing Market Flisk	Reducing Market Risk	5. Strong strategic relationships	THERE ARE NUMEROUS STRATEGIC RELATIONSHIPS WITH BIG CORPORATE, GOVERNMENT AGENCIES OR INSTITUTIONS	5
Exisiting Customer or First Sales	Reducing Production Risk	3. Several existing customers	THERE ARE ALREADY SOME CUSTOMERS, REGULARLY SPENDING MONEY AND ATTRACTING NEW CUSTOMERS, DEVELOPING SALES/CUSTOMERS ACQUISITIONS FIT	3
impact Allignment	Impact Measurement	5. The impact is integrated	ALL OUTPUT IS HIGH , ABLE TO BE MEASURED AND SHOWCASE, THE FOCUS IS ON ACHIEVING THE MEDIUM AND LONG TERMS OUTCOMES THAT RELATED TO MORE THAN ONE OF THE IMPACT AREAS	5
Roadmap Plan	Project Evaluation	5. The plan is highly sustainable and scalable	THE PLAN IS WELL ORGANIZED, READY FOR IMPLEMENTATION AND KEY IMPACT, RISK AND RETURN HAS BEEN IDENTIFIED	5
			TOTAL SCORE	30

TOTAL SCORE

Source: Good for Business Sdn Bhd



Sustainable Impact Value				
1. The business model is unclear	THE BUSINESS MODEL IS CONFUSING AND HEAVILY RELIES ON GRANT, CROWDFUNDING OR DONATION			
2. The business model has weaknesses	THE BUSINESS MODEL HAS WEAKNESSES, THE TARGETED IMPACT AND STAKEHOLDERS ARE NOT WELL DEFINED YET AS WELL AS GENERAL BUSINESS PROCESS ARE NOT FULLY FEASIBLE			
3. The business model is solid	KEY BUSINESS RESOURCES AND IMPACT TARGETED ARE COMPREHENSIBLE AND THE VALUE PROPOSITION IS CLEAR YET MORE THAN 33% REVENUE DEPENDING ON DONORS			
4. The business model is promising	THE BUSINESS MODEL IS ALIGNED WITH IMPACT GOALS, BUSINESS RESOURCES ARE PROPERLY ALLOCATED, SUSTAINABLE & ROBUST			
5. The business model is highly sustainable and not complex	THE BUSINESS MODEL IS VERY IMPACTFUL, SUSTAINABLE, INNOVATIVE, EASY TO MEASURE/SCALE AND RESOURCES ARE WELL ALLOCATED. THERE IS MORE THAN ONE REVENUE STREAM			

Available Prototype			
1. No MVP	THERE IS NO MVP DEVELOPED (YET) OR PLANNED, ONLY IDEA AS A STARTING POINT		
2. MVP in the making	AN MVP IN THE TEST RUN, NO TANGIBLE OUTCOMES AND THE PROBLEM THE PRODUCT SHOULD SOLVE IS DEFINED AND THERE ARE FIRST RESULTS OF TRIAL RUN		
3. Products/Services has outcome and sales	THE PRODUCT HAS LAUNCHED ONTO THE MARKET AND GENERATED FIRST TANGIBLE OUTCOMES, SALES, BENEFICIARIES ARE REACHED, VOLUNTEER AND CUSTOMER ARE INTERESTED AND FIRST TRACTION IS GAINED		
4. Product/Service fits the social and market	THE PRODUCT FITS THE SOCIAL, ENVIRONMENTAL AND MARKET NEED, THERE IS A LOT OF POSITIVE OUTCOMES, VOLUNTEER, BENEFICIARIES & CUSTOMER OUTPUT AS WELL AS INCREASING NUMBER OF SALES EACH MONTH, THE NEGATIVE IMPACT RATE IS LOW		
5. Product/Service is scalable	THE PRODUCT IS SCALABLE, THE FOCUS IS ON THE IMPACT IMPROVEMENT AND SALES FUNNEL OPTIMIZATION		

Abilities of the Founding or Management Team				
1. Team is incomplete	THE TEAM AND THE ROLES ARE NOT DEFINED YET			
2. Team is inexperienced	THE FOUNDER HAS LITTLE OR NO ACADEMIC BACKGROUND AS WELL AS LITTLE OR NO PREVIOUS EXPERIENCE AT ALL			
3. Team is solid	THE ROLES IN THE TEAM ARE DEFINED AND CLEAR, THE CEO HAS PREVIOUS MANAGEMENT EXPERIENCE IN A BIGGER CORPORATE ENVIRONMENT			
4. Team is good	THE TEAM CONSIST ONE OR MORE FOUNDERS THAT ARE HIGHLY-QUALIFIED, HAVE GATHERED PREVIOUS CORPORATE EXPERIENCE OR ALREADY FOUNDED SOCIAL BUSINESSES/ENTERPRISES			
5. Team is excellent	ALL STAR TEAM, EVERY TEAM MEMBER HAS ALREADY PROVEN HIS OR HER ABILITIES, TEAM CONSIST OF: SOCIAL ENTREPRENEUR/S, FORMER MANAGEMENT OF BIG CORPORATES, GRADUATE FROM ELITE UNIVERSITY			

Reducing Market Risk			
1. No strategic relationship THERE ARE NO STRATEGIC RELATIONSHIP AT ALL			
2. Strategic relationships in the pipeline	THERE ARE POSSIBLE STRATEGIC RELATIONSHIPS WITH BIG CORPORATES		
3. A couple of strategic relationships	THE FIRST "LETTER OF INTENT" ARE SIGNED		
4. Good strategic relationships	THERE ARE SEVERAL STRATEGIC RELATIONSHIP ALSO WITH BIG CORPORATES, GOVERNMENT AGENCIES OR INSTITUTION		
5. Strong strategic relationships	THERE ARE NUMEROUS STRATEGIC RELATIONSHIPS WITH BIG CORPORATE, GOVERNMENT AGENCIES OR INSTITUTIONS		

Existing Customer or First Sales				
1. No existing customers THERE ARE NO EXISTING CUSTOMERS YET				
2. Some existing customers	THERE ARE ONLY FEW EXISTING CUSTOMERS, INFREQUENT BUY RATE AND LOW VALUE			
3. Several existing customers	THERE ARE ALREADY SOME CUSTOMERS, REGULARLY SPENDING MONEY AND ATTRACTING NEW CUSTOMERS, DEVELOPING SALES/CUSTOMERS ACQUISITIONS FIT			
4. Good number of existing customers	MANY CUSTOMERS ARE ALREADY USING THE PRODUCTS, SALES ARE HIGH			
5. Many existing customers	MANY EXISITNG CUSTOMERS THAT ARE WILLING TO PAY MORE THAN USUAL FOR A COMPARABLE PRODUCT			

Impact Alignment				
1. The impact is not relevant	THE INTERVENTION IS NOT ALIGNED TO ANY SIX (6) TARGETED IMPACT AREAS			
2. The impact is minimal	THERE ARE ONLY FEW OR ZERO TANGIBLE OUTPUT THAT IS ABLE TO BE SHOWCASED, MINIMUM SHORT-TERM OUTCOMES RELATED TO ONE OF THE IMPACT AREAS			
3. The impact is average	THE OUTPUT IS ABLE TO BE MEASURED AND SHOWCASED, SHORT- TERM OUTCOMES RELATED TO ONE OF THE IMPACT AREAS IS PARTIALLY ACHIEVED			
4. The impact is solid THE OUTPUT IS EXPANDING, ABLE TO BE MEASURED A SHOWCASED, SHORT AND MEDIUM TERM OUTCOMES I ONE OF THE IMPACT AREAS IS PARTIALLY ACHIEVED				
5. The impact is integrated	ALL OUTPUT IS HIGH, ABLE TO BE MEASURED AND SHOWCASED, THE FOCUS IS ON ACHIEVING THE MEDIUM AND LONG TERMS OUTCOMES THAT IS RELATED TO MORE THAN ONE OF THE IMPACT AREAS			



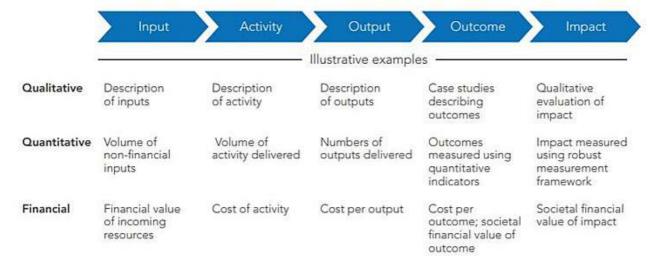
Exhibit 4: Impact Value Chain

	Input	Activity	Output	Outcome	Impact
Definition ²	Resources that are deployed in service of a certain (set of) activities	Actions, or tasks, that are performed in support of specific impact objectives	Tangible, immediate practices, products and services that result from the activities that are undertaken	Changes, or effects, on individuals or the environment that follow from the delivery of products and services	Changes, or effects, on society or the environment that follow from outcomes that have been achieved
Illustrative Example	Investments to an impact organization (e.g., in a microfinance institution)	Actions by an impact organization to attract clients (e.g., campaigns)	Number of clients served by an impact organization (e.g., loans extended)	Changes among clients (e.g., doubling of household income among MFI clients)	Changes in broader environment of the impact organization (e.g., less crime)
Illustrative Insight for Investors	Capital deployed (i.e., initial investment)	Activities undertaken to deliver on impact goals	Services rendered through impact capital provided	Income generated by beneficiaries due to impact capital	Impact on society due to impact capital

⁽¹⁾ The Impact Value Chain is built on the basic logic model, developed by Carol Weiss and Joseph Wholey Weiss, C.H. (1972). Evaluation Research. Methods for Assessing Program Effectiveness. Prentice-Hall, Inc., Englewood Cliffs, New Jersey (2) Definitions are adapted borrowing heavily from both he EU Standard for Social Impact (GECES report) and the European Venture Philanthropy Association's "A Practical Guide to Measuring and Managing Impact" publication

The above provides additional insights to consider as an Impact Investor inspired by the logic model. Basically, it looks at the effectiveness of the capital provided in deploying outcomes and impact.

Exhibit 5: Financial Quantification





8.3 Projected Growth of Social Entrepreneurs

Estimating the growth rate of new Social Enterprises in Sarawak for the next three years is quite challenging, given the lack of available historical data. We offer three different scenarios for consideration.

Scenario 1: Given the type of intervention planned as outlined in this document, we could draw similarities to a point in time when MaGIC was established and started to aggressively promote and implement Social Enterprise programs. The result was based on an average growth rate of 15% over a 3-year period.

 Applying this rate to SEs in Sarawak from a baseline of 50 Social Enterprises based in Sarawak today, Sarawak can expect to see it conservatively grow to at least 80 entities in total.

Scenario 2:

We can also anticipate that with the reach that Sarawak Digital has, and when the recommendations can take to full effect, we can expect exponential growth in the creation of Social Enterprises. Based on past incubator or accelerator programs, we can expect at least 5-10 Social Enterprises per year per DIH. Sarawak Digital can therefore set targets based on the capacity of the DIH (and based on the verticals), to each create and support 10 Social Enterprises per year.

• Assuming that only 5 DIHs are able to deliver Social Entrepreneurship programs, we can estimate an annual increase of 50 Social Enterprises per year.

Scenario 3:

Currently, there are approximately 90,000 MSMEs in Sarawak. Sarawak state government through the Post Covid-19 Development Strategy 2030 has targeted an increase of 40% SMEs by 2030. Based on the prevalence rate of SE to SMEs of 0.8% by GEM Report 2015, this translates to the creation of 288 new SEs by 2030. If we are to prorate this, we can project at least 32 new social enterprises annually.

While increasing the Social Enterprise pool is important, Sarawak Digital will also need to ensure that Social Enterprises are able to sustain especially during the first stages of growth. Even then, the journey to providing impact is long and arduous, and constant and consistent support is still required even as they scale.



Conclusion

The Social Enterprise landscape in Sarawak is a vibrant one and has all the ingredients necessary to achieve impact and contribute to the State's goals of 'economic prosperity, environmental sustainability, and inclusive society'.

The entrepreneurs are resilient, hungry, and committed and display the characteristics of contributing to a good positive impact on local communities, the environment, and the world at large.

There is so much to be hopeful for but the time to act is now. Sarawak is lucky to have stable leadership that is able to draw up and commit to a long-term strategic plan. Continuity in implementing the blueprint and key initiatives will determine the success of Social Enterprise development in Sarawak.



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Government Agency:

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HUB:

Sarikei Innovation Centre
TEGAS Digital Innovation Hub (Miri)
TEGAS Digital Innovation Hub (Bintulu)
TEGAS Digital Innovation Hub (Kuching)
Sibu Digital Innovation Hub
Serba Digital X Innovation Hub
Mukah Youth Transformation and Innovation
Centre (MYTIC)
Creative Heritage Innovation Community

Civil Society Organisation:

Tabung Ekonomi Gagasan Anak Sarawak (TEGAS) Angkatan Zaman Mansang Sarawak

University:

University Malaysia Sarawak (UNIMAS)

Beneficiary group:

Persatuan Belia Parlimen Mukah

Social Entrepreneur:

Backyard Tour
Sluvi Company
The Tuyang Initiative
Harapan Anak Urang Sarawak (HAUS) Sdn Bhd
Fly Technology Agriculture Sdn Bhd
(WormingUp)
Langit Collective (M) Sdn Bhd
Koru Bulk Store PLT
Edaberan Group Sdn. Bhd.

Doku Biotechnology Industries Sdn Bhd Supa Readers PLT The Learning Curve Syarikat Timogah





Research Overview

Research objectives

There are two main objectives when we conducted this research: i) To understand the Social Enterprise or social and/or environmental impact-driven landscape, opportunity, and challenge in Sarawak; and (ii) to understand consumers behavior towards products and services provided by social and/or environmental driven enterprises including in Sarawak.



This research employed qualitative methodology through three ways: i) focus group discussion; ii) in-depth interview; and (iii) surveys. These methods were used to collect the primary source of data which enables access to valuable insights, knowledge, and inputs that could not be achieved by any secondary data resources particularly as State-specific data was scarce.

The focus group discussions comprised of several sessions with different sets of stakeholders which includes social enterprises or social and/or environmental impact-driven enterprises, experts in different areas who are impacting or will potentially impact the ecosystem of social entrepreneurship in Sarawak including digital hub operators in different regions in Sarawak.

Although the aim of having primary sources could give deeper insights and help highlight the reality that is happening on the ground, we realized that the lack of publicly available data in this particular research subject is a major challenge in developing a baseline.



Focus Group Discussions with 14 Sarawak-based or Sarawakian social enterprises from different industries and focus areas



Focus Group Discussions with **24 ecosystem players** related to
social entrepreneurship in
Sarawak



More than 50 Sarawak Social Entrepreneurship Survey 2021 distributed and **30 respondents** completed it.



More than 100 Consumer Survey 2021 distributed and **86 respondents** completed it.



Communications were conducted via **Zoom** (video teleconferencing software), **email**, **WhatsApp** (free instant messaging software), and **phone calls**.

Due to Covid-19 in Malaysia, all data collection activities were conducted online (Zoom) and phone calls. As a result, it hampered more direct engagement with local communities at grass root level since they have limited access to communication and network capacity.



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