

Trailblazers in Sustainable Development Goals and community development in Southeast Asia

Micro, small and medium enterprises (MSMEs) are undeniably important for their role in job creation. In Southeast Asia, MSMEs have accounted for 97% of all businesses and have contributed to 69% of total employment between 2010-2019¹.

WORLD MSME DAY 2021

Beyond these statistics, however, what makes them stand out are the people and communities they constitute and engage with. MSMEs represent an economic option established out of necessity for people with fewer opportunities for other types of employment, and for a higher proportion of MSMEs owned or led by women, this tends to be the reality². MSMEs are also more likely to employ people from disadvantaged groups, such as unemployed youth, the elderly and less-skilled workers.³ Nonetheless, many MSMEs are also established out of opportunity with significant potential for growth and positive social and environmental impact, which makes them strategically important for meeting sustainable development goals (SDGs).

At [Swisscontact](#), we recognise MSMEs' key contribution to the SDGs, and have been supporting them since the 1980s. In Southeast Asia, Swisscontact Cambodia, through its [USAID-Regional Investment Support for Entrepreneurs \(RISE\)](#) has been supporting

impact entrepreneurs in the region with technical assistance (TA) to raise capital and scale up their businesses in order to achieve their social and environmental impact goals. USAID RISE is a multi-investor, multi-sector TA facility that facilitates impact for the base of the pyramid by supporting businesses with high potential for positive social, economic, and environmental impact.



¹ ADB: MSMEs Key to Southeast Asia's Post-COVID-19 Recovery — ADB

² Emerging Lessons on Women's Entrepreneurship in Asia and the Pacific

³ ILO: The Power of Small – Unlocking the Potential of SMEs

To celebrate this year's World MSMEs Day, we are happy to share some stories from four of the MSMEs we have supported in four ASEAN countries, which have built their business to impact the communities they belong to.

[Duithape](#) is a fintech company providing an e-payment system for the 130 million plus unbanked population in Indonesia, through their network of agents that are part of the community. The company's simple technology with facial recognition and a PIN has enabled the bottom of the pyramid, without requiring any gadget or technical literacy, to access basic payment services; all they need is a face. For Sara Dhewanto, founder of Duithape, supporting the poor in Indonesia to access aid payment was the core of her business mission when she first founded the company.

enables digital payment to the bottom of the pyramid and accommodates the needs of these people, and I had all the industry knowledge and network to make it happen. This gave me the motivation to quit my job and found Duithape in 2015. While it's not the easiest task, it's definitely the most fulfilling entrepreneurial journey for me and my team, knowing that we are able to make an impact and give back to the community we belong.”, said Sara Dhewanto.

Amidst the many challenges presented by COVID-19, Duithape was able to grow their transaction value by 50 times since the onset of the pandemic. They were also able to double and, in some cases, even triple the income of the microstores who became their agents. Duithape plays an important role facilitating digital payment transactions and has served 35,061 users and more than 50% of their users are women. The company also works with more than 4,100 agents. In early 2021, Duithape raised an over-subscribed funding round enabling it to further expand its service offer to reach more of the unbanked population.



“In my previous role as a Finance Director at MCA Indonesia, my biggest frustration was the difficulty with which it was to just distribute financial aid to poor Indonesians. We tried everything, but the only way to distribute the funds was by bringing bags of cash for physical distribution, and that was risky, let alone being inefficient and time-consuming. I realized that if an organization like MCA Indonesia, that has full support of the Indonesian & US Government, had \$600M and whose bank had the largest network in the country could not find a better way to distribute funds, then nobody can. I knew that there was an imperative need for a simple e-payment solution that

[Edusuite](#) is an education-focused school management platform based in the Philippines whose AI-driven technology analyzes data and resources of schools from K-12 to colleges to help administrators, faculty, and students optimize their resources and make smarter decisions. This service saves time and money for schools, allowing them to focus more resources on providing high quality educational experiences for youth.



Automated school management systems have become more relevant today especially with the continued imposition of quarantine measures to help curb the spread of COVID-19. Edusuite co-founder and president Niel Dagondon said “we have reached more than 33,000 students and growing across 23 schools. However, because of the COVID-19 situation, many more schools need our solutions to operate online.”

HUSK is a high-impact social enterprise in Cambodia committed to building soil, sinking carbon, and improving lives, by commercially producing and selling carbon-based fertilizers and natural pesticides to smallholder farmers. HUSK was co-founded by two women, Heloise Buckland and Carol Rius, whose aligned mission is to make a significant impact on climate change and soil degradation, two key challenges determining the vicious cycle of poverty facing billions of smallholder farmers globally.



“We started HUSK out of a shared desire to have a positive impact on the lives of smallholder farmers by adding value to agricultural waste streams. The data shows that agriculture contributes around 30% of greenhouse gas emissions, however farmers are among the hardest hit by the effects of climate change, and this is especially the case in Cambodia where 90% of those living under the poverty line work in rural farming communities. After 18 months of research and field visits, we discovered that one

of the solutions to combat this vicious cycle of soil degradation and climate change was already in the hands of Cambodian farmers - the age-old practice of turning rice husk into biochar to regenerate soils. Over the last 3 years we have combined this ancestral knowledge with world class pyrolysis technology to build a business to distribute high quality, affordable carbon-based fertilizers to Cambodian farmers. To date our products have helped regenerate 72 hectares of soil, we have sequestered 340 tonnes of carbon and improved the lives of 170 households. We are just at the beginning of this journey and our long-term goal is to get 1 million tonnes of carbon back into the soil, where it belongs!”, said Heloise Buckland.

EUBIZ Vietnam Jsc., (EUBIZ) is a company that is responsible for the environment and supports ethnic minorities. EUBIZ focuses on exporting to high-end markets (USA & Europe) for certified cashew nuts and dried fruit sourced from smallholder farmers in Vietnam. More than 70% of their employees are female and 30% of the cashew nut growers supplying EUBIZ are from the Xtieng ethnic group. With the desire to develop the fertile Bazal land suitable for the world’s best cashew trees, Ms. Hoa Nguyen - Businesswoman - Founder of EUBIZ constantly learns and builds models of the small, low-income farmers to develop cooperation with enterprises to ensure product quality and increase income for local female workers.

“Binh Phuoc is very famous for cashew production in Vietnam; the quality of the nuts are the best, but when we were there we noticed an unpleasant sight of poverty faced by the farmers whose unsustainable practices affected their yield and price. This gave us the motivation to do something for and with them. We decided to found EUBiz in 2019 to help smallholder farmers reverse the situation by introducing sustainable practices and bringing their products to the international market. After about two years of hard work, we are now proud to be working with a community of 130 farmers/workers, with 20% of them are Xtieng minority. After being engaged with



Eubiz, their income has increased by 10 - 20%. Currently, our Trademark is protected in the US, and in 2020, EUBIZ was the 100 best cashew nut seller in the US via Amazon. Our vision is to continue building our brand and benefit the community and their younger generations.”, said Hoa Nguyen.

The pandemic has caused unprecedented challenges for MSMEs globally. These challenges include forcing businesses to cease operations, rising unemployment rates, reduced incomes, and an economic recession. MSMEs that were able to survive must adapt to disrupted supply chains, accelerated digital transformation, and find innovative ways to maintain and scale their businesses.

A well-functioning and resilient MSME sector will be crucial for a successful recovery from this crisis. MSMEs play a key role in employing some of the most vulnerable populations and thus need to be at the center of the post-pandemic economic recovery.

Now is the time to rebuild for a better future. We need to support more inclusive businesses that are essential to build resilient communities and contribute to sustainable growth. This support can take various forms. Financial support is the most obvious. However, non-financial and broader ecosystem support are also key factors that enhance MSME survival/resiliency and growth.

As we come out of this crisis, let us join forces – Entrepreneurs, Investors, Ecosystem Support Organisations (ESOs), Non-government Organizations (NGOs) and governments around the world – to build an economy that leaves no one behind.