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Project Co-Leads



Empowered lives.  
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# MALDIVES 3RD NATIONAL DIALOGUE

## on Fostering Sustainable Youth Entrepreneurship

April 2020



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“UNDP partners with people at all levels of society to help build nations that can withstand crisis, and drive and sustain the kind of growth that improves the quality of life for everyone. On the ground in nearly 170 countries and territories, we offer global perspective and local insight to help empower lives and build resilient nations.”

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# Background on current ecosystem

Maldives is a Small Island Developing State (SIDS) with a population of 400,000, spread across 187 inhabited islands. Real GDP of the country has been increasing at a rate of 6.7% every year since 2016, stemming mainly from development of tourism and its related industries. Construction and trade also fostered during the recent years. The development paved way for investments for the better attainment and access to education, healthcare, infrastructure, and social provisions within the past few years.

As a SIDS, Maldives is however constrained, by its structural characteristics, such as the geographic isolation, small size, limited natural resources and small population to expand and diversify the economy. These characteristics accelerate the existing inequalities in the country as evidenced by the 21% loss from HDI value once accounted for inequalities in the distribution of key dimensions. One main constraint of the economy is its dependence on tourism receipts for steady growth. Contrastingly, about two thirds of the Maldivians are employed in non-tourism jobs and are mostly employed by the government. This shows a misalignment of available resources and reliance on foreign labor for drivers of growth. Wage and other benefit differentials and lack of policy incentives discourage most to take up private employment/opportunities.

Unemployment rate increased to 8 percent among youth with an underemployment rate of 26.8 percent . Over a quarter of women are unemployed or not looking for a job. However, recent developments have demonstrated more youth willingness and participation in creating sustainable solutions for the communities and a growing entrepreneurship ecosystem.

With a renewed commitment from the government towards economic diversification significant work through various platforms are undertaken to reduce dependency on a few industries. These include, adoption of accommodative policies for inclusion to tackle structural barriers and inequalities inherent, and to promote and improve the entrepreneurial ecosystem that would foster local products and services and complement growth of these new industries with the existing industries., The government also welcomes participatory forums from different groups to formulate and achieve these goals in the medium term.

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<sup>1</sup> Ministry of Finance, Budget 2020, <http://budget.gov.mv/>

<sup>2</sup> UNDP, Global Human Development Report 2019

<sup>3</sup> National Bureau of Statistics, Household Income & Expenditure Survey 2016

<sup>4</sup> The World Bank, Maldives: Country Overview, <https://www.worldbank.org/en/country/maldives/overview>

# Youth Co:Lab

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**Empowering young people, supporting them, and making sure they can fulfil their potential are important ends in themselves.”**

Antonio Guterres, UN- Secretary General

The 2030 Agenda for Sustainable Development recognizes the important role of youth in achieving the Sustainable Development Goals (SDGs), and calls for action against the challenges faced by young people that limits their economic, social and political inclusion. Today, young people are more connected, more creative, more informed and more persuasive than any previous generation. Young people are responding to the challenges of the day with innovative approaches, contributing fresh ideas, creating the world they want, and driving human development for themselves, their communities and their societies.

At the same time, approximately 300 million young people are either unemployed or underemployed. In other words, nearly half of the 700 million young people in the Asia-Pacific region face economic insecurity. In addition, many young people are left out of decision-making process, which further contributes to their marginalization and exclusion.

Co-created in 2017 by the United Nations Development Programme (UNDP) and the Citi Foundation, Youth Co:Lab aims to establish a common agenda for countries in the Asia-Pacific region to empower and invest in youth, so that they can accelerate the implementation of the Sustainable Development Goals (SDGs) through leadership, social innovation and entrepreneurship. By developing young people's 21st century skills,

and by catalyzing and sustaining youth-led startups and social enterprises across the region, Youth Co:Lab is positioning young people front and center in order to solve the region's most pressing challenges. In addition to supporting youth entrepreneurship, Youth Co:Lab also works closely with multiple stakeholders, including governments, civil society and the private sector, to strengthen the entrepreneurship ecosystem and to promote policies that will support and enable young people to take the lead in finding and developing new solutions for social and environmental problems in their communities.



In its inaugural year, Youth Co:Lab convened 11 national dialogues and social innovation challenges across Asia and the Pacific which culminated with a regional summit. The initiative has helped more than 1,700 young people develop their 21st century skills, and it has launched or improved 140 social enterprises. The project has also established partnerships with over 80 key partners to strengthen the Youth Empowerment Alliance.

On the back of this success, Youth Co:Lab has been scaled to 26 countries and territories in the region, including: China, Hong Kong SAR, India, Thailand, Vietnam, Philippines, Malaysia, Indonesia, Sri Lanka, Bangladesh, Pakistan, Maldives, Nepal, Fiji, Bhutan, Samoa, Solomon Islands, Myanmar, Cambodia, Timor-Leste, Australia, Japan, Mongolia, Singapore, Korea and Vanuatu.

# National Dialogue

The Maldivian youth of today have become more socially aware and are actively involved in bringing about positive change to address pressing issues in the society. The country also has a growing entrepreneurship ecosystem which has the potential to create sustainable solutions for the communities. With more efforts being made to further improve the entrepreneurial ecosystem and to establish the requisite institutions and organizational mechanisms to restructure and consolidate all Small and Medium Enterprises (SME) development activities, it is crucial to establish participatory processes to involve youth in policy formulation.

Building on the successes of the past National Dialogues and social innovation camps, UNDP advanced the platform to strengthen the startup ecosystem in Maldives through two key programmes in 2019; the Social Innovation Camp and the 3rd National Dialogue.

The Social Innovation Camp, Miyaheli held from 29th – 31st August 2019, focused on eliminating barriers faced by Persons with Disabilities (PWD) particularly in the areas of physical/environment barriers, communication barriers and attitudinal barriers. Youth aged 18-30 years from across the nation including PWDs, were provided a platform to work towards creating solutions to achieve an inclusive and accessible environment for all. The three winning ideas include:



**Developing an application that allows visually impaired people to read “Thaana” (the written form of local language) online as they are not able to access any documents or articles written in “Thaana” now.**



**Partnering with a coffee shop to implement the concept of “Silent Coffee” where people would order coffee using sign language and enjoy a quiet environment thereby breaking the barrier between the hearing and hearing-impaired community.**



**Building a ramp to increase access for PWDs and those with mobility issues to beaches and the sea**



The winning teams have each received a grant of USD 3,000 and mentoring services from local mentors. The first and second place winners have been enrolled in UNDP's regional Youth Co:Lab springboard programme with access to international mentors.

Youth Co:Lab, Ooredoo Maldives, Ministry of Youth, Sports and Community Empowerment, Ministry of Gender, Family and Social Services were key partners of this year's camp along with NGOs working on PWD rights; Maldives Association of Persons with Disabilities, Blind and Visually Impaired Society of Maldives, Maldives Deaf Association and Wellness Association.

Following the camp, UNDP in partnership with Youth Co:Lab, Ministry of Economic Development and Business Centre Corporation held the 3rd National Dialogue on Fostering Sustainable Youth Entrepreneurship from 13th – 14th November 2019 to facilitate a consultation process for youth entrepreneurs, government agencies, private sector, academia and key actors in the ecosystem on key areas in the startup ecosystem and enabled knowledge sharing among these groups.

# Methodology



The dialogue was intended to facilitate informative discussions and meaningful conversations on the current infrastructure and to explore opportunities by exchanging experience stories and by floating ideas in an informal and interactive setting among youth entrepreneurs and key actors of the ecosystem.

Aligned with this, the event featured more than 50 participants which included youth entrepreneurs, representatives from government agencies, participants from private sector organizations, pioneers of startup businesses, and a well-rounded representation from academic institutions and NGOs.

The youth entrepreneur participants were selected from applicants for the National Dialogue who already had a startup or had a strong idea of a startup and were interested to converse in such a discussion and or were looking for some guidance or reassurance to move forward with their ideas.

The representation from the government institutions included Maldives Inland Revenue Authority, Maldives Customs Service, Maldives Post, Maldives Monetary Authority, Auditor General's Office, National Bureau of Statistics, Business Center Corporation, SME Development Finance Corporation, Local Government Authority, and officials from ministries such as Ministry of Environment, Ministry of Gender, Family, and Social Services, Ministry of Fisheries, Marine Resources and Agriculture, Ministry of Youth, Sports and Community Empowerment, and Ministry of Higher Education.

Private sector participants included entrepreneurs and staff from privately owned companies in various sectors of the economy. They included large and small companies and recent startups. Tourism, ICT, Arts, Social, and Retail were some

key sectors represented. The participants were able to contribute to discussions by sharing their perspectives and providing insights from their experience in their specific industries.

Academic institutions and NGOs participation also provided insights on education and research aspects of industries, along with discussions on the growing demand for sustainable and inclusive business models. The volume and scope of participation was ideal for the facilitation of broad discussion of the whole ecosystem and also on specific areas of expertise of the participants.

## Sessions:

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### Setting the Context: SME sector of Maldives

The presentation set the introduction to the current SME sector in the Maldives, firstly, by defining and comparing SMEs in the global and national context and their importance to the economy, then focusing on the challenges faced by SMEs, and lastly highlighting the current policy and regulatory environment with planned strategies for SMEs in the medium term.

The presentation outlined that in the Maldives there are more than 7,000 active SMEs which accounts to almost 93% of the companies. The SME sector is growing in importance globally as they vastly contribute to the business ecosystem, create jobs, reduces poverty, promotes inclusion, drives innovation, and is increasingly adopting sustainable practices with high environmental footprint.

Although the economic reliance on SMEs are high, significant challenges are faced by the sector. In Maldives, one major challenge is the lack of entrepreneurship culture and lack of training and education opportunities on entrepreneurship skills. The small size and limited capital of SMEs act as a hindrance to financing opportunities or funding that are easily available to large companies. The geographical disparities in land valuation, low financial literacy, and high collateral requirements and interest rates add to the limitations faced by start-ups. The inadequate space and inflated value of land to start up and maintain a business is also a challenge.

Policy coordination has been insufficient in providing market access and uniform transport and logistic linkages that are crucial for the growth of the SME sector. There has also been very limited investments in innovation and new growth areas that could stem from ICT. The Strategic Action Plan (SAP) formulated by the government for the medium term of 2019-2023 has identified the need for and set out objectives for the development of the sector. The implementation of Business Centers in different regions of the country to assist the formation of startups and act as advisory bodies providing trainings and workspaces among other services, the development of the SME bank specializing in financing startups, and planned efforts to strengthen data collection framework and regulations surrounding the subsector are noteworthy.

The session concluded by identifying key actors in the startup ecosystem working towards the growth of the sector.

The presentation shed light on what Youth Co:Lab aims to achieve as a regional platform. Co-created in 2017 by the United Nations Development Programme (UNDP) and the Citi Foundation, Youth Co:Lab aims to establish a common agenda for Asia-Pacific countries to invest in and empower youth to accelerate implementation of the Sustainable Development

Goals (SDGs) through leadership, social innovation and entrepreneurship. By developing 21st century skills, catalyzing and sustaining youth-led startups and social enterprises across the region, Youth Co:Lab is positioning young people front and center in order to solve the region's most pressing challenges. In addition to supporting youth entrepreneurship, Youth Co:Lab also works closely with multiple stakeholders across the region, including governments, civil society and the private sector, to strengthen the entrepreneurship ecosystem and policy support to better enable young people to take the lead on new solutions that will help meet the SDGs.

Over the last three years, Youth Co: Lab has been implemented in 25 countries and territories across the region. The national dialogues, regional summits and social innovation challenges have reached over 75,000 participants. The initiative has benefitted over 5,000 young social entrepreneurs and helped launch or improve nearly 600 social enterprises. Youth Co:Lab has also established partnerships with over 185 key ecosystem players as part of a Youth Empowerment Alliance across Asia-Pacific. Over 200,000 young people are part of Youth Co:Lab's online platform. Youth Co:Lab is therefore the largest movement for social entrepreneurship in Asia and the Pacific.



### Panel Discussion on Main Themes

The next session focused on four main themes that went on to shape the dialogue for Day 1, through a panel discussion that brought together experts on the thematic areas that shape the entrepreneurial ecosystem. The main areas focused were; enhancing entrepreneur's access to capital, enhancing business advisory and development services and better provision of government services, and gender and inclusion within the system.

The panelists were experienced representatives from SME Development Finance Corporation (SDFC), Business Center Corporation (BCC), and World Bank. The discussion started with an introduction to the current services provided for youth and women by SDFC and BCC and its Business Centers set up at different locations throughout the country. They also highlighted the main challenges faced by youth and women entrepreneurs and wishful entrepreneurs currently. The discussion then went on towards opportunities and plans to expand opportunities for the vulnerable groups by their respective organizations.

SDFC was developed as an organizational body that would finance the development of SMEs and startups through funds allocated for this purpose every year by the government. Their operations started after the new administration took office and have successfully financed various projects. Their risk structure is different from conventional banking, and requirements for funding are more welcoming. Right now, they offer financing for startup businesses, business development and assistance, agricultural development, tourism development, and purchase of machinery and

equipment. BCC was established for the purpose of facilitating business advisory and development assistance for startups and with an aim to provide comprehensive bureaucratic support. They currently disburse their services through 7 Business Centers (BCs) at various regions of the country. They provide consultation services for new business ideas, assist them in formulating the idea into a workable plan, and support individuals and small groups in the initial documentation and other formalities. As such, BCs have already commenced training programs related to tax filing, financial literacy, and bookkeeping; through introduction to MIRA approved software and helping enhance knowledge and usage of these.

A main discussion focused on how startups are usually initiated by the youth; between the ages of 18-30. A big chunk of the funding requests received by SFDC are from the youth. These requests often lack physical collateral, as is the case for many startups. The collateral some applicants come up with has nothing to do with expansion of the business or is of no relevance to the idea they want to materialize. Sometimes, the amount of funding requested is so high when compared to amount invested or for the initial stage of implementation of the business plan that the fund organizers cannot accept the risks associated with it. To mitigate these, and reduce the time and effort of both parties, it was advised to the participants to test out their ideas first, at a small or even miniscule scale, to see if the market and timing will be ideal for their product. This would show the dedication and motivation on the client's part to the fund organizer and would make it easier to conduct an effective feasibility study on it. Dedication and effort are integral to start up a business; and this shows through applications received for funding. The amount or the time spent on the idea is what differentiates applications and compensates for lack of initial capital for startups.

Female applicants are also not rare, but a case that has presented itself numerous times is where the application is by a female, but the collateral pledged is owned by a male, and the hands on implementation and the profits from the business idea is planned to be carried out and received by someone else. This is a major challenge faced as this ultimately only burdens the female with increased debt, and none of the benefits. It is also stemmed from the lack of accessibility to these services due to mobility and other restraints faced more by women compared to men. The cost of transportation, lack of free time from paid and unpaid work, lack of collateral, and lack of access to and competence of digital software, lowers confidence in women and hinder them from reaping all benefits through the current infrastructure.

Although there are a handful of products available, they still lack products or attributes of products incentivizing youth entrepreneurs. The point system improves the score of youth and female applications, but efforts to target and customize products for vulnerable groups and young industries need more effort to be put by organizations. Emerging industries such as ICT lack funding, as they do not have traditional capital and practices to back them, and are unable to foster and maintain due to regulatory barriers and lack of legislative enforcements. New methods required for screening and cultivating such startups need to be incorporated into the system. The Strategic Action Plan for the next five years includes plans towards the Competition Law that would welcome more new businesses.

BCs plan to expand their training programs targeting women and youth to enhance business management, financial literacy, technical and technological competencies, and other essential skills through their hubs and online. They also plan to establish incubation and co-working spaces in largely populated islands to equip collaboration and innovation.

This year, government procurement has provided an advantage by allowing only small businesses to bid for projects below MVR 2million. The SME policy is promising with its plans to introduce innovative awards and entrepreneurial awards to recognize and motivate local products and practices.

## The Journey of a Social Entrepreneur by Zero Waste Maldives



Zero Waste Maldives is a newly established company working towards addressing a social and environmental issue: eliminating the current waste disposal practices in the country. The story of Zero Waste Maldives was shared in the dialogue with the intention to spread awareness on this unique social business model and to elaborate on the additional social and economic value added from such innovative entrepreneurs. The participants were particularly inspired by the startup as the company is run by young entrepreneurs with a dedication to use their expertise and the resources available to combat an issue that even the government has not been able to tackle efficiently till date. The work done by the company will not only positively impact the society, but also will be leveraged by the government as actionable solutions for waste disposals and sustainable living.

Another key area that received admiration from the participants for the couple that founded the company was when they shared their story on how they first saved up almost USD 2000 to start the business and how they did not want to acquire debt as the primary source of financing for the company. They explained how they were fine with starting small and testing out their limited quantity of products in the market first, to see if this model worked in the Maldives. Their concept of conservation of all resources by reusing and repurposing materials without burning or discharging them to the earth that could harm the environment and human health brought their first products into the market; reusable tote bags and repurposed glass water bottles. Then they expanded their production to bamboo toothbrushes, metal straws, net grocery bags, vegan dishwashing blocks, beeswax wraps, and menstrual cups. They recorded an annual revenue of almost USD 10,000 and are reinvesting most of it for research and testing of new products, to introduce new alternative solutions, and for marketing and awareness campaigns within the country.

Challenges faced included the restricted financing options for expansion, limited storage space, time taken for customs clearance and self-learning of documentation processes, managing delivery schedules, keeping margins of profit low while also keeping the practice financially viable. They also highlighted some key lessons they learnt along the way and wished they had known as they were starting out which was well received by the participants.

The entrepreneurship also works on collaborative projects with other players in the industry. They have installed numerous refill stations, convinced restaurants they have worked with to switch to reusable straws, conducted waste audits, worked on implementation of resource management centers, optimized collection methods, and worked on container deposit schemes, and has reached over 20,000 people nationwide from their awareness programs. The key concluding messages of the session were words of encouragement to participants interested and dedicated to start a social enterprise and highlighted how the industry is nascent and has a long way to go.



## Reimagining the Entrepreneurship Ecosystem: Services

The set up for this session included three stations for brainstorming on the main themes discussed at the panel; Improving Entrepreneurs Access to Capital, Enhancing Business Advisory and Development Services, and Better Provision of Government Services. Each station had a facilitator who gave some background information on the area and posed a few key questions for participants to come up with solutions to barriers they face acquiring these services currently. Innovative solutions and enthusiastic thinking were encouraged. Solutions and ideas from the perspective of gender and inclusion were embedded at each station.

The participants were randomly divided into three groups by an energizer activity prior to starting the session. The groups then brainstormed at each of the three stations for 20 minutes, moving around switching stations, and making a full circle of stations within an hour. Thus, every group and every participant were able to contribute to the discussion on each of these thematic areas. The facilitators at each group then presented the key points discussed at their stations focusing on the innovative ideas provided by the three groups.

## Reimagining Entrepreneurship: Industries



The final session of the dialogue brought in three industry experts from Arts and Creation, Digital Economy, and Social Entrepreneurship. The objective was to share firsthand experience of the current ecosystem to allow the participants to gain a deeper understanding of the current context and share their own thoughts and similar experiences. The three experts were enthusiastic to share their experience in the field, how they started out, challenges they faced and are still facing, and what keeps them going. They also shared their views on the current system and how expectant they are on the future improvements of the entrepreneurial climate and within their industries.

Participants were briefed on the layout of the session and were asked to choose an industry of their liking. The participants divided themselves evenly between the industries. These seasoned experts captivated their audience group with their story, and the participants were eager with follow up questions.

The session continued on to an interactive creation of a mood board by each group that would be presented at the end of the session to all the participants. The mood board consisted of ideas and opportunities the groups had identified that would improve the infrastructure of these industries to streamline with the need of key actors and help promote growth of these industries.

# Findings

As the focus of the 'Reimagining' sessions was solutions rather than problems, the key recommendations identified by participants in the Reimagining sessions are captured in the section below. In this section, some of the constraints that were nevertheless identified by participants across some of the industry areas are highlighted.

## Re-imagining Government Policy Support: Better Provision of Government Services



### Creating entrepreneur friendly regulatory agencies:

- 01** There is a need to strengthen the decentralization of services to the atoll and island level as currently startups expend large amount of resources and time to travel to Male' to obtain services.
- 02** Lack of consistent application of policies with variances in advice provided from different officials resulting in a lot of back and forth and increase in the amount of time and resources spent on receiving that service.
- 03** Limited use of technology to increase the efficiency of service delivery and need for improvement of customer service.
- 04** Lack of information on the processes for import, export and taxation which further affects the resources and time involved.
- 05** Lack of coordination between government agencies which further exacerbates the issue arising from centralized services.

**06**

Financial barriers to import and export; there is a need to review taxes and import duties for SMEs.

**07**

Financial services and mechanisms need to be improved to better facilitate startups



### **Government's commitment to reserve small procurement contracts for SMEs:**

**01**

Lack of awareness on government's policies including the Strategic Action Plan (SAP) with limited consultation on its operationalization.

**02**

Existing monopoly of larger companies in certain industries thereby reducing competition.

**03**

Limited communication on available procurement projects.

**04**

Lack of transparency in selection processes.

**05**

Delay in the payment to SMEs who already do not have large resources to begin with further demoralizing SMEs to take on procurement projects.

## Re-imagining Finance: Improving Entrepreneurs Access to Capital



**01**

Lack of information on available funding sources for SMEs

**02**

Currently, access to capital from financial institutions are impeded by high interest rates and demand for collateral.

**03**

Limited mentoring and advisory services to enable SMEs to create satisfactory business plans which includes marketing and pricing strategies that appeal to funding agencies.

**04**

Lack of information and training resources on maintaining good credit history to enable access to financial institutions.

## Reimagining Industries: Arts & Creative Industry (Culture & Heritage)

**01**

More efforts concentrated on providing trainings on arts and crafts which has become repetitive and ineffective. More meaningful methods of engaging in arts and craft is required than trainings.

**02**

Lack of awareness among the younger generation on the traditional art and crafts which is resulting in the dying out of certain art forms. While fine arts have significantly developed over recent years, traditional arts have seen a steep decline, particularly among the youth.



# Conclusion and Recommendations

The main areas of discussion during the National Dialogue, namely, strengthening of government services, improving access to capital and enhancing business advisory and development services along with the discussions on specific industries were established based on the findings from previous National Dialogues in Maldives and on consultations held with stakeholders prior to this dialogue and were expectedly the areas of great significance and challenge to existing startups. Limitations in these areas have posed huge barriers to entrepreneurs and has curbed the growth of the startup ecosystem in Maldives.

Main concerns highlighted by participants on government services include a lack of decentralization of services at an atoll and island level incurring huge expenses to new startups which is then further exacerbated by the lack of coordination between government agencies. Moreover, limited information available on processes relevant to businesses such as taxation, import and export along with the limited use of technology further decreases the efficiency of the services.

Financial barriers are also a key area concern with many highlighting the limited access to capital from financial institutions due to high interest rates and demand for collateral, as one of the major hindrances. Lack of information on available funding sources and lack of opportunities to build their internal capacity to meet the requirements of financial institutions and other donors, further impedes their growth.

Finally, access to quality business advisory and development services that is available at the island/atoll level with technical experts in specific industries has been identified as a huge need for entrepreneurs across the nation. Aside from training programmes, mentors with experience in the formation of a startup has been identified as a much-needed resource crucial to the success of new startups and can especially facilitate opportunities for marginalized groups such as women.

Guided by these challenges, the following recommendations were presented by the participants of the National Dialogue and will be disseminated to all relevant government stakeholders to bring a meaningful change to the startup ecosystem in the country.

## Reimagining Services

Area	Recommendations
 <p><b>Better Provision of Government Services</b></p>	<p>Facilitate decentralization of services through establishment of networks at local level which includes the training and usage of local councils and volunteers at the island level to deliver services.</p>
	<p>Clear communication on service delivery and consistent application of policies, for instance a simple flowchart or tech process to indicate the processes for import, export and taxation.</p>
	<p>Facilitate better use of technology such as mobile apps and improved online platforms to improve the user experience online and increase the efficiency of service provision but simultaneously improving and maintaining quality face to face customer services and touch points.</p>
	<p>Improve coordination between government agencies with sufficient information to direct customers to the relevant frontline service.</p>
	<p>Alternatively, establishment of a one-stop shop to provide all governments services required for startups.</p>
	<p>Use behavioural insights and human centered design to re-design service delivery processes to enhance the efficiency of government services.</p>
	<p>Giving exemptions and differentiated rates for SMEs in terms of taxation and import duties to foster and enhance their growth.</p>
	<p>Improve financial services through mobile payments and using point of service machines instead of physical shops to improve efficiency of services.</p>
	<p>Design government procurement policies to incentivize procurement board contracts to SMEs</p>

## Area

## Recommendations



### Better Provision of Government Services

Make it mandatory for larger companies to partner with SMEs when they go for a procurement contract so x% of services will be done through SMEs. Alternatively, quotas for SMEs can also be established.

Target women owned SMEs specifically through procurement policies to improve diversity.

Revise evaluation criteria of procurement projects to enable opportunities for SMEs

Improved communication on available procurement projects on multiple platforms.

Supplement SME friendly procurement policies with expedited payment mechanisms.

Increased efforts to communicate the specific sectoral plans and strategies outlined in the Strategic Action Plan with a focus on using different modalities to reach different audiences such as using video.

Improve consultation with public for SAP implementation to enhance its effectiveness and achievement of targets.

Enhance the monitoring and accountability function for SAP through the engagement of civil society and independent bodies.

Gender specific recommendations:

- Supportive policies to promote home based businesses as a viable option particularly for women entrepreneurs and expansion of day care services.
- SME protection policy to try and incorporate a lot of the abovementioned measures to create a conducive environment for SMEs
- A better functioning SME council so that diverse SME owners are better represented in policy making

Area	Recommendations
 <p><b>Improving Entrepreneurs’ Access to Capital</b></p>	<p>Introduce mechanisms to access capital with reduced interest rates and no collateral for SMEs.</p>
	<p>Financial institutions to establish mechanisms to better monitor of loans and provide guidance to SMEs</p>
	<p>Capacity building opportunities by government institutions and other private parties to enhance financial literacy of SMEs such as on better record keeping, budgeting, cash flow management and conducting market research, including better access to mentoring and advisory services.</p>
	<p>Skill building opportunities can also be made available to SMEs by private sector through CSR initiatives.</p>
	<p>Introduce platforms for SMEs to connect and network with investors, for instance utilizing a similar methodology as the “Shark Tank” TV Show which provides opportunities for entrepreneurs to pitch their businesses to investors.</p>
	<p>Establish different modalities for funding such as provision of grants and introducing platforms to crowdfund capital.</p>
 <p><b>Enhancing Business Advisory and Development Services</b></p>	<p>Create a one-stop portal where all information relevant to SMEs can be found such as information on taxes, customs related services and different procedures related to undertaking a business. The portal can include videos, infographics and supplementary applications for specific information.</p>
	<p>Templates of documents such as agreements required for businesses can also be made available on the portal minimizing the need to spend resources for legal advisory services.</p>
	<p>Provision of better trainers at the island level with certification to improve their credibility. A list of certified trainers can then be provided for entrepreneurs to seek services from them.</p>

## Area

## Recommendations



### Enhancing Business Advisory and Development Services

Both trainers and the training programmes need to be revised to be more mentorship based. Trainers themselves need to have adequate entrepreneurial experience including experience of startup failures that would assist in providing mentorship support to beginners. Qualification of trainers in BCCs in the island also needs to go beyond academic qualification to reflect this much needed experience.

Establishing platforms to disseminate data in certain industries so entrepreneurs can do better market research and create evidence-based business ideas.

Gender specific recommendations:

- Create platforms and dialogue streams to provide opportunities for women in islands to engage and build their capacity to create viable businesses or expand already existing businesses.
- Foster Women Development Committees to be more independent and build their capacity to support female entrepreneurs.
- Establish female consultants in the islands to facilitate mentoring and advisory services for female entrepreneurs.
- More consultations need to be held with women based in islands to understand their experiences as entrepreneurs.

# Reimagining Industries

Area	Recommendations
 <p><b>Digital Economy</b></p>	<p>Strengthen policy framework to support the growth of startups particularly those that enable access to funds from financial institutions while providing security to the institutions themselves.</p> <p>Some of these policies include:</p> <ul style="list-style-type: none"><li>• Revision of the securities law that allows businesses to use their stocks as collateral and a policy that would help regulate this.</li><li>• Establishing intellectual property rights, which is crucial in improving the digital economy as the security provided by this policy will help facilitate open APIs (Application Programming Interface) and enable startups to expand to larger audiences with reduced risk for violation of their intellectual property.</li></ul>
 <p><b>Social Entrepreneurship</b></p>	<p>Ensure proper operation of the SME bank which enables access to social entrepreneurs for capital funding.</p> <p>Substantial subsidies from government to entrepreneurs seeking to tackle social issues and developmental challenges through their startups.</p> <p>A special category to be created for social entrepreneurs especially during loan application and interactions with ministries; government recognition for social entrepreneurs is important.</p> <p>Government to play an intermediary role between social entrepreneurs and financial institutions and other donor organizations to promote networking and access to multiple funding sources.</p> <p>Educate and promote awareness on social issues at the policy level to facilitate better policy making that benefits social entrepreneurs.</p>

Area	Recommendations
 <p data-bbox="181 501 488 591"><b>Social Entrepreneurship</b></p>	<p data-bbox="588 291 1331 403">Government to utilize research conducted by students in education institutions to better inform policy decisions and programming.</p> <p data-bbox="588 524 1342 595">Promote awareness among public to increase social entrepreneurship and motivate existing social entrepreneurs.</p>
 <p data-bbox="181 1384 475 1576"><b>Arts &amp; Creative Industry (Culture &amp; Heritage)</b></p>	<p data-bbox="588 698 1414 963">Promote awareness among the younger generations on traditional arts and crafts by connecting art with culture. This could be done through introducing classes in the school curriculum (for e.g. during Practical Arts period) for students to learn and create arts and crafts that holds cultural value and is specific to their geographic location. For instance, promoting “liyelaa jehun” (lacquer work) in Baa Atoll where it is most prominent.</p> <p data-bbox="588 1039 1394 1223">Programmes are also required for younger generations to learn the story behind traditional art forms which can also be of interest to tourists. This information can be digitalized for preservation for future generations. Media campaigns can be conducted to educate and promote awareness among the public.</p> <p data-bbox="588 1303 1404 1411">Provide internship opportunities for youth (older students from colleges) to experience the traditional art forms to stimulate their interest in this area.</p> <p data-bbox="588 1491 1375 1639">Provide opportunities for local artists to be based in resorts as resident artists to promote local arts and culture to the tourists and employees of the resort through training programmes and interaction sessions.</p> <p data-bbox="588 1720 1410 1868">Ensure authenticity of the cultural items sold in souvenir shops by only allowing products by local artists. The local resident artist in the resort can also produce items that can be sold onsite to tourists.</p> <p data-bbox="588 1948 1401 2065">Policy level changes are required to ensure the reduction of imported items in souvenir shops such as significantly increasing the duty on such items from other countries.</p>

Area	Recommendations
 <p data-bbox="183 571 478 761"><b>Arts &amp; Creative Industry</b> (Culture &amp; Heritage)</p>	<p data-bbox="587 268 1404 336">Utilize the resorts’ publications and online platforms to promote the work of local artists.</p>
	<p data-bbox="587 414 1388 481">Ensure protection for local artists from being exploited by large corporations.</p>
	<p data-bbox="587 562 1356 672">Government entities such as the BCC can play a role in connecting artists with financially literate individuals to create startups.</p>
	<p data-bbox="587 745 1340 855">Establishment of more platforms such as “Fannu Expo” to showcase the work of local artists and connect them with relevant audiences.</p>



# Annex

## Agenda

### STELCO, Auditorium Hall (5th floor)

Day 1 – Wednesday, 13 November 2019

**08:30**

09:45

#### Opening Ceremony

Introduction by Emcee, Ms. Aishath Loona, UNDP

Keynote Speech by the Minister of Economic Development,  
Honourable Uz. Fayyaz Ismail

Thematic Note by the Minister of Fisheries, Marine Resources and  
Agriculture, Honourable Zaha Waheed

Launching of Youth Vision Report & Coffee Table Book

Remarks by Ms. Akiko Fujii, UNDP Resident Representative

**09:45**

10:00

#### Coffee Break

**10:00**

10:15

#### Introduction

UNDP Maldives

**10:15**

11:00

#### Setting the Context

Raniya Sobir, UNDP Maldives

**11:00**

11:30

#### Youth Co:Lab 101

Youth Co:Lab Story and Beyond

Eleanor Horrocks, Bangkok Regional Hub

**11:30**

12:30

### **Panel Discussion on the Main Themes**

Improving entrepreneur's access to capital

Enhancing business advisory and development services

Better provision of government services

Gender and Inclusion

SME Development Finance Corporation (SDFC), Business Centre Corporation (BCC) and World Bank

**12:30**

13:30

### **Lunch Break**

**13:30**

14:30

### **The Journey of a Social Entrepreneur**

Zero Waste Maldives

**14:30**

15:30

### **Re-imagining the Entrepreneurship Eco-system - Services**

Discussions will be carried out on three main themes:

- Improving entrepreneur's access to capital
- Enhancing business advisory and development services
- Better provision of government services

(Gender and Inclusion to be considered among all of the above themes)

Eleanor Horrocks, Bangkok Regional Hub

**15:30**

16:00

### **Coffee Break**

The facilitators of each key area will collate the discussion points during this time.

**16:00**

17:00

### **Re-imagining Entrepreneurship - Services (contd.)**

Facilitators will present the discussion points for a broader discussion at the plenary

**17:00**

17:15

### **Wrap Up of Day 1**

Day 2 – Thursday, 14 November 2019

**09:00**

09:15

**Reflection from Participants for Day 1**

UNDP Maldives

**09:15**

10:15

**Reimagining Entrepreneurship – Industries**

Participants will discuss in groups on challenges and proposed changes to advance entrepreneurship in the areas of the Arts and Creative Industry, Digital Economy, and Social Entrepreneurship (Gender and Inclusion to be mainstreamed among all of the aforementioned themes).

Eleanor Horrocks, Bangkok Regional Hub

**10:15**

10:30

**Coffee Break**

**10:30**

11:45

**Reimagining Entrepreneurship – Industries (contd.)**

Participants will present their discussions to the plenary  
Eleanor Horrocks, Bangkok Regional Hub

**11:45**

12:00

**Wrap Up and Next Steps**

**12:00**

**Lunch**

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