



Japan-ASEAN Cooperation



Ministry of Cooperatives and SME  
Republic of Indonesia

ASEAN COOPERATION PROJECT NO. IND/SME/11/003/REG

# Improvement Rural Living Condition Through One Village One Product (OVOP) Movement

## FINAL REPORT

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Ministry of Cooperatives and SME Republic of Indonesia  
Jl. H.R. Rasuna Said Kav. 3-5 Kuningan  
Jakarta 12940



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# Foreword



Majority of the poor people in the ASEAN Member States resides in rural areas and most of them are depending on agriculture activities. Due to their living conditions, in most case, are not sufficient to fulfill their basic needs, therefore, most people tend to move to the city. Urbanization will create significant demographic challenges, not only for the urban areas, but also for the rural areas.

The governor of Oita, Morihiko Hiramatsu, Ph.D, in 1979, introduced the “One Village, One Product” Movement to alleviate poor people and reduce urbanization in which Oita was the poorest prefecture as that time. Through this program, slow but sure; Oita has becoming the third rich prefecture in Japan. In addition, Mr. Hiramatsu also selected to be the Oita governor for six periods.

The success of OVOP in Japan has inspired other countries in the world, both developing and developed countries. In ASEAN itself, the OVOP movement has been adopted and implemented in all countries, except for Singapore. In order to access the OVOP development in all ASEAN countries.

This study led by Indonesia’s SMEWG focal point was aimed to improve the rural living condition by doing fact findings, comparative study and workshop. This study will provide guidelines on how to implement OVOP program based on the experience best practices in ASEAN and Japan. The study has been held since 20 – 23 January 2013, and the results of this study have been presented, and discussed at a workshop in Yogyakarta, 13-15 March 2014.

I would like to express my gratitude to all parties who have contributed a lot to this study, among of them are the ASEAN Secretariat, the ASEAN SME WG Focal Points. The OVOP Focal Points, the OVOP Focal Points and OVOP stakeholder institution respondents all over AMS. As the project manager, my sincere thanks go to JAIF who has funded this project, without its support the project could not be successful. I am grateful to the invaluable contribution made by Mr. Tadashi UCHIDA of Oita OVOP, Japan and Mr. Tatsuya YANAGI, Deputy Director Private Sector Development Division 1, Private Sector Development Group, Industrial Development and Public Policy Department, JICA, Japan, both resource persons from Japan, Mr. Haruyuki Yada, the First Secretary of Mission of Japan to ASEAN, and also all resource persons from AMS and other networks. My deep appreciation is for the hard work and commitment of Dr. Bagus Santoso and Dr. Agung Nur Fajar and all team members to make this study become real.



In conclusion, I hope that this study including the guidelines of OVOP would be utilized to strengthen the development of OVOP in the ASEAN Member States for better living condition of the people in ASEAN in the future.

Thank you,  
Jakarta, 11 January 2014

A handwritten signature in blue ink, appearing to read 'I Wayan Dipta', written in a cursive style.

I Wayan Dipta  
Project Manager

# ASEAN Project Team

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# 1 Introduction

One Village One Product (OVOP) Movement is a regional economic revitalization program that started in Japan since 1979. This movement was initiated by Dr. Morihiko Hiramatsu, when he was Governor of Oita Prefecture. The OVOP movement became one of successful regional economic programs due to its approaches in transforming local products into competitive products in local, national, as well as global market. The OVOP movement put emphasis on the product uniqueness as well as local culture and resources. In addition, the OVOP movement has been proven effective in improving the welfare of Oita's local people, through improved village economic dynamism, local income, and social solidarity. It also improves the proudness of local community in their village.

The success of OVOP movement in Oita Prefecture has motivated several countries to adopt and adapt the OVOP movement into their own models of economic development, particularly in village areas. Currently, the OVOP movement has been spreading to other countries across the globe with different names according to the target group of the movement, among others are as follows:

1. Brunei: One Kampung One Product (IK1P)
2. China: One Factory and One Product, One City One Product, One District One Product (Shanghai-China); One Town One Product and One Capital One Product (Jiangsu-China); One Village One Treasure (Wuhan-China); and One Village One Product (Shanxi and Jiangzi, China);
3. Indonesia: One Village One Product, Balik Desa (Back to Village), Agropolitan, Minapolitan, and Prukab;
4. Korea: Seamoul Undong Movement;
5. Lao PDR: Neung Muang Neung Phalittaphan Movement;
6. Malaysia: Satu Kampung Satu Produk (Malaysian and Brunei), One District One Product, Satu Daerah Satu Industri;
7. Mongolia: Neg Bag Neg Shildeg Buteegdekhuun; and
8. Philippines: One Town One Product;
9. Thailand and Cambodia: One Tambon One Product Movement;
10. United States of America (USA): One Village One Product Day and One Parish One Product Movement.

Based on the fact that OVOP is gaining some supports from policy makers in ASEAN countries, the ASEAN Member States (AMSs) and JAIF decided to develop ASEAN OVOP guideline. The guideline is expected to provide guidance for local and central governments in ASEAN in adopting and adapting OVOP approach as a model for local economic developments. The use of this guideline should be adjusted to the government administration structure, social and economic condition, and the development phase of micro, small, and medium enterprises (MSMEs) in each country.

## **1.1. OVOP Basic Principles**

The OVOP model was initiated by generating local community spirit to improve household welfare and local economy, through creating unique products that have high added value, producing goods and services using local resources, and improving competitiveness both in national and global markets. This spirit is realized by creating social and economic network in the society to form local vision through local business unit developments that could optimize local potential resources.

OVOP development aims to improve the added values of the local product/services and resources in order to improve the welfare of the local community. Therefore, creativity, productivity and togetherness of community member are of most important for OVOP development. The implementation of OVOP movement requires optimum use of local resources, including: human resources, raw materials, commodity, technology, and local culture. OVOP products are expected to be an excellent product (product icon) in their respective village/district area, thus all the citizen can be proud to promote the products.

The adaptation of OVOP movement as a regional economic development model that based on community empowerment has three main principles (Hiramatsu, 2004), those are:

### **1. Locally but Global**

The development of OVOP movement aims to increase, develop, and promote one product that local people can be proud of, especially a product that can be marketed both domestically and internationally. This means that the product of goods and services that can reflect local touch and pride, but at the same time could meet global demand.

### **2. Self Reliance and Creativity**

The driving force of OVOP movement is the local people's initiatives. By using their own potential and their local wisdom, the local community is expected to be able to identify their competitive advantage in order to produce a creative product independently by using their own available resources.

### **3. Human Resource Development**

Visionary local leadership and community empowerment are crucial for OVOP movement. Therefore, it is important to create and empower local leaders who can motivate and encourage the local community to cultivate their potentials and creative thinking. This also includes establishing networks and the transfer of knowledge and skills.

## **1.2. OVOP Principles in ASEAN**

Main principles of OVOP Movement in Japan could be adapted and developed by other ASEAN Member States (AMSs). The adaptation of this guideline can be done by making some necessary adjustments to suit local contexts in each AMSs. This guideline is intended to provide a general OVOP guideline to AMSs.

### **1.2.1. Vision**

To achieve overall improvements in local economic activities and people's welfare through sustainable community empowerment in AMSs.

### **1.2.2. Mission**

To develop local community empowerment activities in AMSs that based on local resources, to improve local economic activities, social solidarity, and local community's welfare in ASEAN.

### **1.2.3. Core Values of OVOP Programme**

The core values of adapting OVOP movement in ASEAN are as follows:

1. Effective leadership
2. Accountability and transparency
3. Creativity and innovation through sustainable human resource development
4. Self-reliance
5. Team work, partnership, and networking
6. Maintain and develop local cultures
7. Community participation

### **1.2.4. General Objectives**

Empower local communities in AMSs for sustainable social and economic welfare development.

### **1.2.5. Specific Objectives**

The objectives of OVOP development in ASEAN are as follows:

1. To promote OVOP approach as a regional economic development model in ASEAN
2. To develop social entrepreneurship, employment opportunities, and reduce the level of poverty in AMSs, particularly in local area
3. To support the improvement of added value and competitiveness of rural products in ASEAN based on local resources

4. To develop Small Medium Enterprises (SMEs) capacity and competitiveness in ASEAN countries through a sustainable transfer of skills and technology
5. To promote and improve the market access for OVOP products (SMEs) in international market
6. To support income and local prosperity improvement in ASEAN
7. To improve the empowerment of local community in a sustainable manner in order that the local community can take more role in their local economic development

### **1.3. Report Outline**

This OVOP guideline comprises the following chapters:

- I. Introduction
- II. Selection criteria of OVOP Program
- III. Concept and Implementation of OVOP Program in ASEAN
- IV. OVOP development strategy in ASEAN
- V. OVOP Implementation

The guideline is also complemented with several examples of suggested forms related to the implementation of OVOP Program. The forms could be adjusted based on the need of each ASEAN country member and OVOP condition in each country.

The structure of this guideline adopts similar structure to OVOP guideline for Kenya (2010), especially for part 1, 2, and 5 of this guideline. The final version of this guideline might have different structure from the present version.

# 2 Selection Criteria and OVOP Strengthening Support Program

## 2.1. Selection Criteria for OVOP Recipient Program

The development of OVOP movements in ASEAN countries are mostly initiated by their central governments. In most cases, these central governments' initiatives are accompanied by various forms of government supports. However, the supports are less adequate to fulfill the comparatively high public demand of OVOP supports. Therefore, it is important to select the most potential groups to be selected as the recipients of the supports.

OVOP program selection mechanism should be carried out in an accountable and objectives manner in order to maintain fair competition among groups. Therefore, it is necessary to establish clear criteria and selection mechanism for OVOP groups.

### 2.1.1. Region Selection Criteria

The selection of regions that will receive OVOP support program should take into account the following factors:

#### 1. Regional equality

OVOP program initiated by the government should have a nature as a stimulant and/or pilot project of regional economic development that is based on local community empowerment. Therefore, the OVOP support program should not be concentrated in certain areas, but well distributed across regions. There is a tendency that a successful OVOP program in one area will be duplicated by other OVOP groups in other regions (demonstration effects). A more distributed OVOP support among areas in a country would germinate the other adjacent areas to promote OVOP movements

#### 2. Infrastructure Availability

The OVOP program should set successful example, thus the availability of infrastructure and the flow of goods and people should be taken into account. It must be ensured that the support program recipient groups have sufficient access to transportation, electricity, and markets.



### **3. Service Providers Availability**

OVOP program should consider the availability of business development service providers and financial access providers in the area of supported recipients. These aspects will determine the type, intensity, and quality of the supports for the recipients. If developed service providers are not available in the area, the government could consider the possibility to hire other service providers nearby the area, by considering the distance, travel time, and other additional costs.

### **4. Products Diversity and Uniqueness**

The OVOP support program should give priority to the OVOP products that have strong local uniqueness with large market potential. The OVOP program should consider the variety of products/services that will be developed in order to come up with successful show cases of OVOP program. This will make easier the adoption and adaptation of the OVOP program by local governments or other OVOP groups.

### **5. Institutional and Best Practice of OVOP Group**

Successful implementation of OVOP program requires support from Mentoring Institution and Recipient Group Institution. The institutional mentoring process could be evaluated from the existence and the management effectivity of district/local OVOP committee. Meanwhile, OVOP group institution could be evaluated from the existence and the management effectivity of the OVOP group and the presence of successful OVOP group in the area. The successful OVOP groups could be referred as best practices by other OVOP groups.

### **6. Local Government Support**

Local government support could be evaluated from several criteria, such as whether: the vision of regional head is in line with OVOP program, his/her understanding and support towards OVOP program, leadership effectiveness, and local government willingness to form OVOP committee and provide financial assistances for OVOP development in their areas.

#### **2.1.2. Selection Criteria for OVOP Group**

The selected OVOP Group should have the following criteria:

1. The products/services should have local wisdom and uniqueness;
2. The production process of business group or SMEs have been running continuously and consistently, which reflects their business management capacity, competency, marketing, production technology, and business financing access;
3. Business groups or SMEs and their respective products have potential, quality, standard, and business capacity;
4. Products/services have market potential in local, national and international market;
5. Business groups or SME have contributions to community empowerment, including an acknowledgement and strong support from local people to the development of OVOP program.

### **2.1.3. The Establishment Mechanism for OVOP Program Recipient**

Business groups or SMEs that meet the prescribed requirements and after field verification process is carried out, as well as pass the selection process will be appointed by the National Secretariat as a participant of OVOP program (see Chapter 4). The national secretariat will produce a certificate that suits with the classification ratings/stars. The original certificate will be sent to the OVOP product producer companies and the copy of the certificate will be sent to the provincial committee, regional committee and service providers.

The awardees of OVOP certificate will entitle to use the OVOP logo and classification ratings/stars in their product. The OVOP logo could be placed in their products, packaging, and as promotion tools. The recipients of OVOP certificate will have to go through rating process periodically to ensure that they could maintain the quality of their products.

## **2.2. Support Program for OVOP Development**

Support program for OVOP participants could be in the form of:

1. Assistance in education and training;
2. Provide experts for mentoring process in marketing, branding, packaging, production technology, information technology, standard management system, etc;
3. Assistance in production tools;
4. Assistance in access to capital;
5. Assistance in marketing access and promotion, such as: fair/exhibition, OVOP gallery, website, electronic and mass media, and other publication;
6. Assistance in improving business legal status and business license
7. Facilitate intellectual property rights

The type and number of OVOP support program can be adjusted with the real needs of OVOP business groups/SMEs, and the produce star rating.

OVOP Business groups / SMEs with the star rating of 4 and 5 could be provided with supports by the central government, coordinated by National Secretariat. OVOP Business groups / SMEs with the star rating of 3 (partially 4) could received support provided by the provincial government (Provincial OVOP Committee), and OVOP business groups/SMEs with star rating of level 1 and 2 could get supports from the district/city government.



# 3 Concept and Implementation of OVOP Program in Japan and ASEAN

This part will very briefly touch the OVOP experience in Japan and nine ASEAN Countries.

## 3.1. Japan



In 1960, Japan started to switch their economy from agriculture to industries. This policy has changed the structure of Japan's economy, particularly in rural area. The economy in rural was left behind; urbanization rate increased, cheaper product in urban areas started to damage the competitiveness of rural products and decrease the income in rural areas. Facing those issues, villagers started to think how to develop their villages. In 1970s, people in rural area started to utilize their potential natural resources to improve their own economy.

OVOP movement is one of revitalization programs for local economy in Japan that focuses on social value and creates powerful motivation to be more confident and do not give up due to economic condition, as well as encourage village population to keep staying in their village. The **key success** of OVOP movement in Japan is keep improving the human resources capability and maintaining the social value among the citizen. It focuses more on social values than economic values, thus preventing the society to act as individualist. Seminars and workshop that discuss the development of their village were also conducted regularly.

Although an increase in the income of the rural population is an added value, the priority of the OVOP movement is to improve life satisfaction of the rural citizen, which means happiness. One of the success indicator of OVOP movement is by measuring the happiness, for example afford to have health, education, and non-food expenditure.

Nevertheless, OVOP in Japan also faces several **challenges**, such as language barrier. A large number of visitors from foreign countries but some of communities in Japan were not ready to serve foreign visitors since they cannot speak foreign languages. There were several programs to improve the capacity of the local communities to speak foreign languages, such as building schools and libraries and carrying out student exchange programs. Another challenge was the disagreement between leaders and the society in the process of developing the tourist villages.

In order to minimize their dependency from external factors, some communities were quite reluctant to receive financial assistances from government, due to their concern in managing the funds. In addition, accessing funds from external party also requires them to prepare the planning for budget allocation.

In order to maintain the sustainability of the OVOP movement in Japan, some programs to improve human resource capability and product quality were carried out. Some of the examples of the programs comprise assistance sessions in quality control, management theory, saving and loan program, health insurance, and pension funds.

OVOP movement in Japan has successfully empowered women. One of the key success factors of the women activities in OVOP was that they separated their household finance from the business finance. Overall, they work for the society and for a better live. They put social value more than economic value.



### 3.2. Brunei Darussalam



Brunei Darussalam's initiative to adapt OVOP started in 1993 and the adaptation is called **Satu Kampung Satu Produk (1K1P)**. **Ministry of Home Affairs (MOHA)** is in charge of coordinating OVOP program in Brunei Darussalam.

The OVOP project has been a decade-long initiative aimed to develop and encourage economic projects and local businesses within the villages. Since 2009, the project has progressed rapidly, and has encouraged villages to come up with their own products. (*The Brunei Times*, Al – Haadi Abu Bakar). The 1K1P project was first implemented in Temburong District.

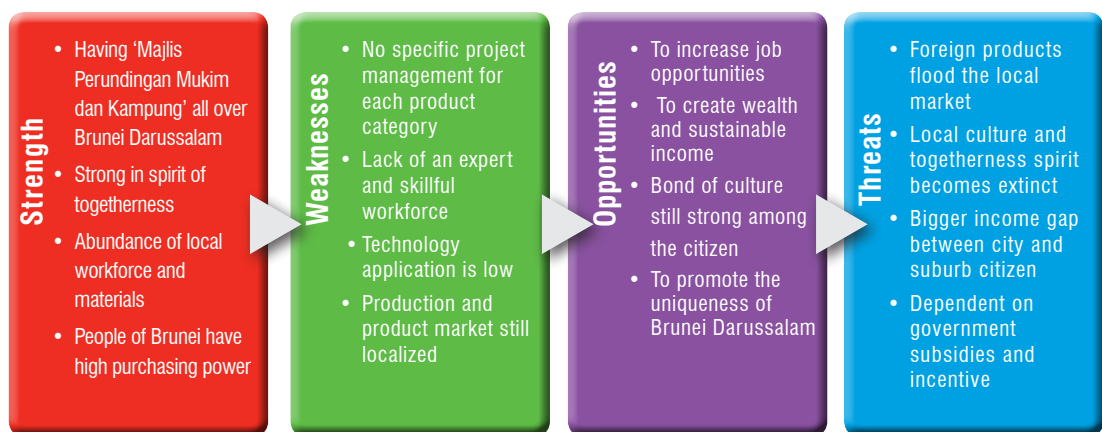


1K1P project must be initiated by ‘Majlis Perundingan Mukim dan Kampung’ through any of these three methods:

- Majlis Perundingan Mukim dan Kampung themselves are producing the product; or
- Taking the initiative of collecting the products from producers and do the packaging before marketing the products; or
- Forming a joint venture with any party who has capital to initiate the 1K1P project.

The Figure 3.1 below will explain the SWOT analysis of the 1K1P in Brunei Darussalam.

**Figure 3.1**  
**The SWOT Analysis of OVOP Development in Brunei Darussalam**



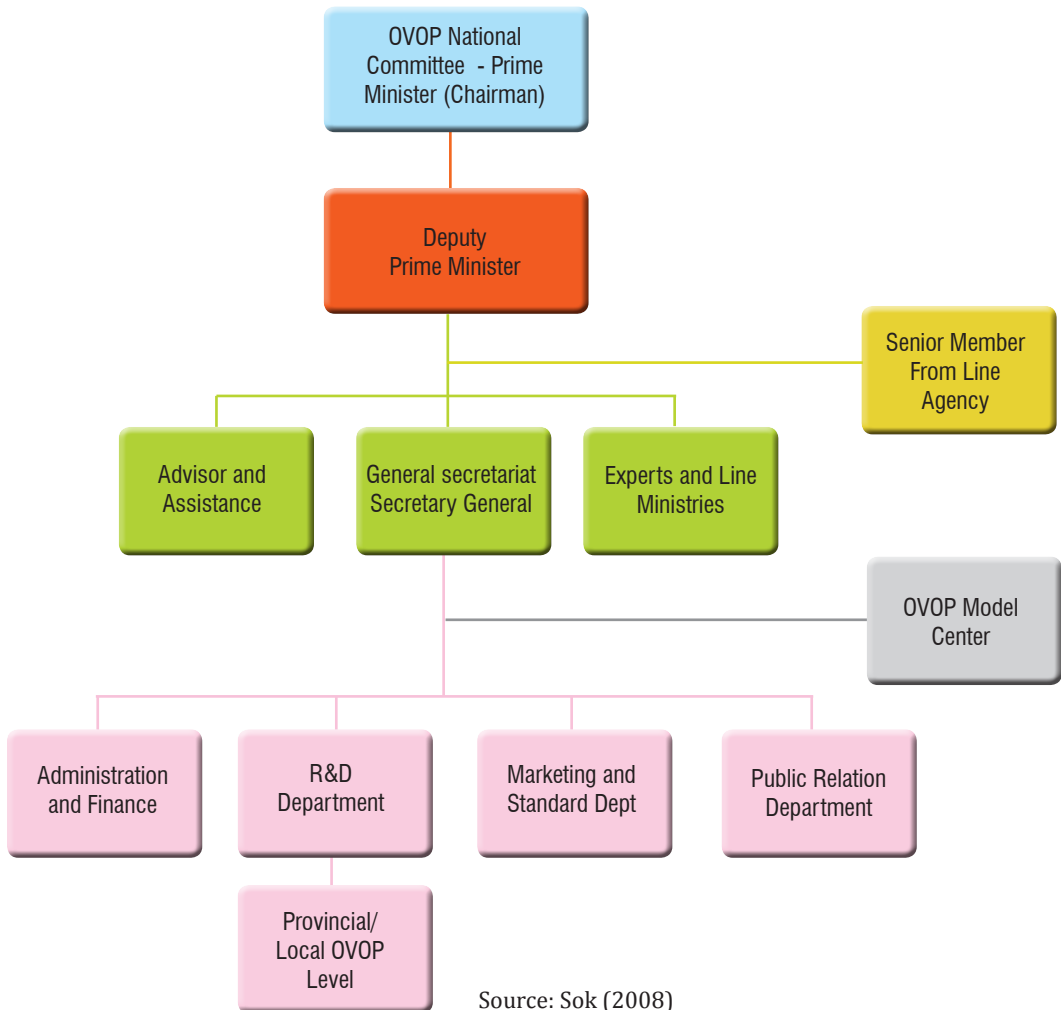
### 3.3. Cambodia

The Government of Cambodia started to adopt One Village One Product (OVOP) movement to promote rural economic growth in 2006. The “One Village One Product National Committee” was established by Royal Decree No. NS/RKT/0106/043 dated January 27, 2006, and the Sub-decree No. 436 dated June 26, 2006 on the organization and functioning of the “One Village One Product National Committee”. The OVOP movement in Cambodia could be characterized as a Top-Down approach.

Historically, Cambodia has a development model similar to OVOP movement in the past where some villages specialized in producing particular products that the village population was good at. Since officially adapted, OVOP movement in Cambodia has been gaining importance as a tool for development and the future development prospect is quite promising, especially due to a strong political support from the Prime Minister.

The Figure 3.2 shows the OVOP structure in Cambodia. Generally, the OVOP structure in Cambodia is divided into three main components, i.e. policy, technical and local level.

**Figure 3.2**  
**OVOP Structure in Cambodia**



Source: Sok (2008)

The vision of OVOP movement in Cambodia is improving the living standard of the people through improvement of local products. The program focuses on preventing urban job hunting and produce product that can be exported to global markets.

The development of OVOP movement in Cambodia could harvest from several opportunities. First, SMEs are the backbone of Cambodian economy, from which OVOP model could be developed. Second, the decentralization process empowers local governments and local community to be able to formulate local development plan based on the available local resources, which in line with the spirit of OVOP development. Third, Cambodia is a member of ASEAN that will face the implementation of ASEAN Economic Community (AEC) in 2015.

In term of challenges, there are some **issues** facing the OVOP development in Cambodia include the following aspects:

- a. There is only small number of research and development as well as credible training institutions and centers in boosting the production and improving the value added of the SME products at the whole cycle of the production processes;
- b. Copy right issues;
- c. Competition is getting tougher, especially for entering the AEC;
- d. The young generation does not seem to be interested in becoming entrepreneurs in rural areas and do not master handicraft skills like their previous generations;
- e. The logistic and infrastructure system is quite difficult, which might also contribute to the rather high production costs.

The study visits to two SMEs in Cambodia suggest that those SMEs use available resources in their local area and take **advantage** of the fact that their region is famous for the product they are producing. They also master the skills that were passed from their parents or they learned from their friends and family in the surrounding area. The SMEs are often invited by the OVOP National Committee and provincial government to fairs and exhibitions. Both SMEs also once received assistances from international donor.

Despite the fact that those SMEs could produce products that they sell not only in the domestic market but also in the international one, they seem to have **limited** knowledge regarding the international market and how to expand their markets. Another important issue is related to the access to finance. Both SMEs experienced the lack of internal finance to expand their business. The production process of both SMEs tends to be labor-intensive and relies most on handmade process, which results in a rather long and costly production process.



### 3.4. Indonesia

Indonesia officially began adapting OVOP model since 2007, through Presidential Instruction No.6 Year 2007. The OVOP program implementation in Indonesia is based on **top-down approach**. The program is coordinated by Ministry for Cooperative and SME. Based on the program implementation since 2007, OVOP program in Indonesia has several **key successes**, as follows: strong commitment from central, local governments, and other stakeholders (such universities), large market share (both domestic and international), abundant raw materials, large quantities of human resources, information technology growth, and promising economic growth.



Table 3.1 shows the **Strength Weakness Opportunities and Threat (SWOT)** analysis of OVOP movement development in Indonesia.

**Table 3.1**  
**Strength Weakness Opportunities and Threat (SWOT)**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>– Support from both central and local government related to the OVOP development</li> <li>– Collaboration with several institutions such as universities and local government agencies regarding management of cooperatives, production technology, and quality control</li> <li>– Abundance of raw materials</li> <li>– Large quantities of human resources (high number of population)</li> </ul>	<ul style="list-style-type: none"> <li>– Limited scope and effective methods for product marketing</li> <li>– The quality control of the product is not sufficient</li> <li>– Minimum regeneration process</li> <li>– The low capacity of human resource, such as: foreign language skills, bookkeeping, and business negotiation</li> <li>– Emphasize more on the economic value rather than social value.</li> <li>– Lack seriousness, commitment, and focus to develop SMEs business.</li> <li>– Difficulty to change the mindset, for example, OVOP farmers refuse to change the way they plant due to tradition from their ancestors</li> <li>– Business professionalism does not exist yet</li> </ul>
Opportunities	Threats
<ul style="list-style-type: none"> <li>– Some of the products have relatively large market shares, for example: agricultural products and tourism sectors.</li> <li>– Good prospect of Indonesia's economic growth</li> <li>– Information technology</li> <li>– Increase in public awareness to do business in a more professional way</li> </ul>	<ul style="list-style-type: none"> <li>– High dependency on government supports/assurances</li> <li>– Limited coordination between the central and local government in developing the OVOP program</li> <li>– External markets (AEC 2015)</li> </ul>



### 3.5. Lao PDR



The Government of Lao has been assisted by Japan in implementing **One District One Product (ODOP)** program in Lao PDR. ODOP program has been a key community development program in Lao PDR since 2003 (Ministry of Industry and Commerce Foreign Trade Policy Department, 2011). ODOP program has been implemented by cooperation between **the Ministry of Industry and Commerce of Lao PDR** and **Japan International Cooperation Agency (JICA)**.

There are several **challenges** in adapting ODOP in Lao since it was first initiated in 2003. The challenges are (Asian Productivity Organization, 2010):

1. ODOP program was only implemented in two provinces.
2. It is difficult to improve the level of competitiveness of ODOP products in international market since there are no comparable ODOP products among provinces in Lao.
3. The lack of human resources that can support the sustainability of ODOP program in Lao.

One of the **key success factors** of Lao government in conducting ODOP program is that they involved the product selection in the production approach (Uchikawa and Keola, 2010). This means that Lao government has a full control in the ODOP production in each province. The role of Lao government is to control what kinds of products to be produce and applies the specific way of how to produce the ODOP products. The other key success factors in promoting the ODOP program are limiting the government support funds in order that the ODOP program could be more sustainable in the future and the use machinery in the production process. The government also encourages producers to improve their knowledge and collect the relevant information regarding the production process.



There are several **weaknesses** in ODOP operation in Lao PDR, among others are:

1. Many ODOP producers still highly depends on the support from the government, making them less independent and less self-reliant.
2. Export promotion is the main target of ODOP. Meanwhile, most ODOP producers have limited knowledge and language skills to access international market.
3. Some ODOP producers have a potential to grow but they lack the access to finance. Some ODOP producers even choose not to access any loans, because the bank loan interest rate is also too high for them (around 13 – 15 % per year).
4. Limited capacity production and raw materials.

The Government of Lao PDR provides an access for community products to domestic and international markets by providing the free facilities to join several international exhibitions. The Government of Lao PDR is also successful in creating an image of ODOP as quality benchmark. Another important aspect of ODOP development is the collaboration between various stakeholders to enhance capability of OTOP producers and entrepreneurs. The Lao government is promoting a new national ODOP logo, which has been recently set up. In order to use this new logo, producers have to get the government's authorization on their products.

### 3.6. Malaysia



OVOP movement in Malaysia generally known as ***Satu Daerah Satu Industri (SDSI)*** or in English term named as **One District One Industry (ODOI)**. The OVOP movement was first introduced in 1992 as Satu Kampung Satu Produk (SKSP) under the Sixth Malaysian Plan (RMKe-6). Afterward in 2003, the program developed to become *Satu Daerah Satu Industri (SDSI)*.

SDSI program involves several ministries and government institutions, those are: **Ministry of Agriculture and Agro Based Industry, Ministry of Rural and Regional Development, Ministry of Tourism and Culture, the Malaysian Handicraft Development Corporation and Ministry of International Trade and Industry**. In general, Malaysian government offers several types of **assistances** to promote SDSI program, such as: trainings, financial assistance (loans), exhibitions or fairs, and technical assistances.

In 2011, Implementation Coordination Unit (ICU) of the Prime Minister's Department reported that SDSI has successfully created 6,247 entrepreneurs from 141 districts across the nation or 23 percent increase since 2010. The program also has generated 12,428 employment opportunities that widely dispersed in four different sectors, such as food and beverage, homestay, craft products, and health services/products. It can be seen that during 2013, the cash and contract sales value of **RM16.2 Millions** has been generated by government after facilitating local entrepreneurs in national showcase or exhibitions (MITI, 2013).

SDSI **key success factors** of small entrepreneurs in Malaysia are as follows (Kader et al, 2009):

- Provide government assistances in training and extension services, such as training in entrepreneurship, marketing, quality management, basic accounting, and technical skills.



- Entrepreneurial quality, such as: good behavior and attitude, innovative, hardworking, self-confidence, and self-reliance.
- Market support by government, such as: infrastructure, communications, power supply, and other favorable environment for small medium enterprises.
- Market accessibility and networking, such as: fairs and exhibitions organized by government in the state and national level, with patented logo for national identity.
- Consistent monitoring through information system of the entrepreneurs for evaluation and ranking purposes



In order to have more effective program, other than providing entrepreneurship training and promotion, **Ministry of International Trade and Industry (MITI)** Malaysia carries out evaluation system to enhance the SDSI brand. In future, selected products produced under the SDSI program will be registered in Geographical Indication with the Intellectual Property Corporation of Malaysia (MyIPO). This program will ensure that the products will meet the quality standard both in domestic and international market.

### 3.7. Myanmar

The development of small and medium enterprises in Myanmar was started at early 1960s, when the government welcomed private sectors. The OVOP development in Myanmar is **top-down approach**. There were other community development programs similar to OVOP movement in Myanmar before OVOP movement was introduced in 2000. The implementation of OVOP movement in Myanmar was still an on-going process. Related ministries assigned to implement the OVOP project in Myanmar are **Ministry of Commerce, Ministry of Cooperatives and Ministry of Industry**.

The new enacted government that organizes and supervises the role of SMEs are still working on formulating the law and enacting new laws. For example, Myanmar SMEs Development Center has just been established in April, 2012 or around 17 months. The role of the Center is to develop Myanmar's SMEs.

In terms of financial assistances, the government, especially Ministry of Cooperatives did not provide certain funds or subsidies to promote OVOP development. Nevertheless, they provide loans schemes and assistances for those who needed. The types of those **assistances** are as

follows: technical knowledge and transfer of skills and technology to promote product quality.

During the study visit, the team found out that the Government of Myanmar's **challenges** related to the implementation of OVOP movement are the uncertainty in local administrators, low awareness in OVOP movement, lack of marketing technique such as access to information to promote the OVOP products and exposure to modern market trends.

Nevertheless, OVOP development in Myanmar can also benefit from several **opportunities** to develop the SMEs in Myanmar, those are:

1. Some of handicraft industries, such as wood craft, rattan and slipper that team visited, still produce their product in a very high cost production compared to the other countries. Therefore there are still rooms for improvement for SMEs in Myanmar, such as improving the efficiency in the handicraft industries will significantly improve the competitiveness of the handicraft products.
2. Demand for SME products from other countries such as Europe and United States is still high.



However, there are some **threats** facing SMEs in Myanmar, such as competitors from other countries. The ASEAN Economic Community (AEC) in 2015 might lead to strong competition. In addition, based on study visit observation, most of the SMEs in Myanmar that the team has visited have difficulties in accessing financial services from formal financial institutions. For example, there are limited financial institutions that offer low interest rates for loans or simple procedures to borrow money. Moreover, there are also limited subsidies or financial assistances for SMEs to expand their business.

Another important **issue** of OVOP development in Myanmar is related to Information Communication Technology (ICT) protection. The development of telecommunication in Myanmar were relative less developed compared to other developing countries, particularly AMSs. Only a small percentage of population has access to a fixed telephone line, and internet and mobile phone penetration are equally low. Ericsson world telecommunication provider states



that in 2012, only one million people out of 60 million of the Myanmar population can access mobile phone, and around 400,000 have internet access. A problem such as blocking on SMS text messaging may sometime encounter by some people. Myanmar has rather low exposure to development in telecommunication technology and this condition will give a significant impact on the SMEs development in their country.

### 3.8. Philippines



The Government of Philippines has prepared the Medium Term Philippines Development Plan as a detailed roadmap towards achieving the common goal of reducing poverty through job creation and enterprise (Rana, 2008). The Medium Term Philippines Development Plan also aims to create micro-enterprises and provide them with credit, technology and marketing supports, as embodied in the **One Town One Product (OTOP)** programs. The Government of Philippines has

implemented the OTOP program since 2004.

OTOP-Philippines offers a comprehensive **assistance** package through a convergence of services from local government units (LGUs), national government agencies (NGAs), and the private sector, which includes business counseling, skills and entrepreneurial training, product design and development, appropriate technologies, and marketing. These agencies work hand in hand with other government offices and the private sector to sustain the program. The **success key** of OTOP Philippines includes seven factors as follows: Dedicated LGUs, Reliable Raw Material Supply, Rich Local Culture and Tradition, Local Talents and Skills, Ready Market for Products/Services, Aggressive Core of Producers, and Convergence of Government Services (Rana, 2008).



To acknowledge the contribution of each stakeholder in the successful implementation of the program, recognition and awards were given to the following: best OTOP Implementer, outstanding OTOP MSME, and most Supportive Partner Organization.

Most Supportive OTOP Partner Organization:

- Resources provided to the project
- Projects initiated/ implemented
- MSMEs assisted
- Participation in OTOP activities (visibility)
- Support of the organization to other partners (number of other partners assisted or linkages).

Department of Trade and Industry DTI has aligned the OTOP with the various industry clusters:

- To develop innovative and globally competitive enterprises
- Make the MSMEs contribute significantly to employment generation and inclusive growth.

Mass media also has a critical role in the promotion of OTOP program in the Philippines. Consumers became aware of OTOP products and would like to purchase products which have OTOP brands. They flock the OTOP Trade Fairs compared to other trade fairs organized by the Department of Trade and Industry. Potential entrepreneurs became interested and joined in producing OTOP products in their locality.

### 3.9. Thailand

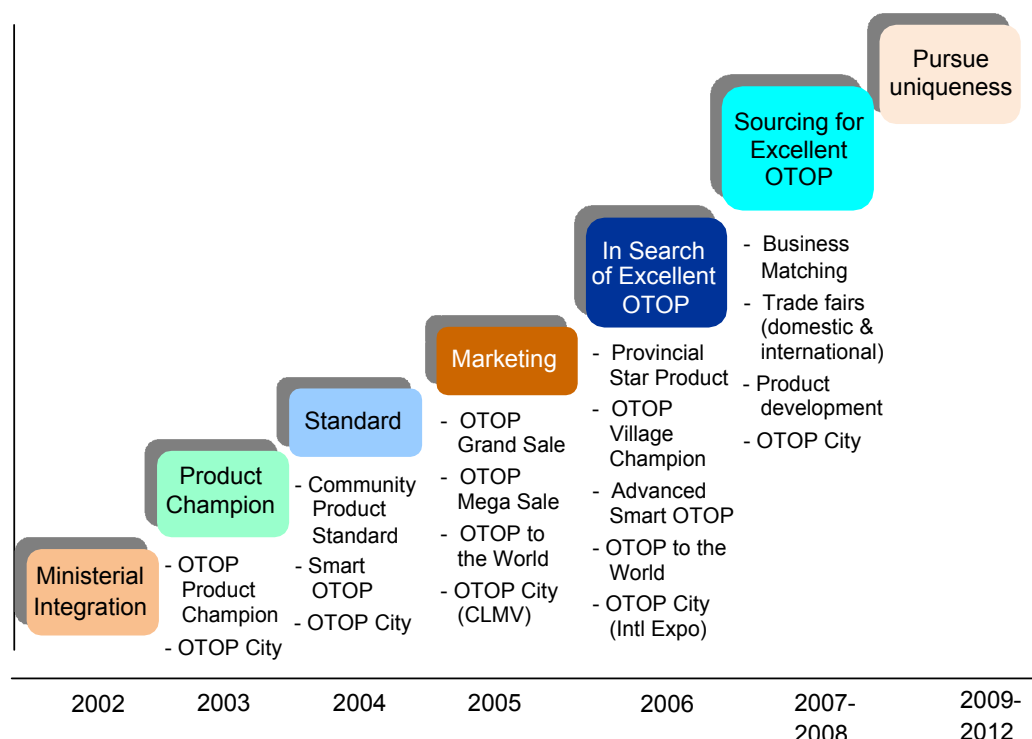
OVOP Program is also developed in Thailand. Compared to the origin of the OVOP movement, **OTOP** (One Tambon One Program), a Thailand version of OVOP, is a top-down initiative program. It was first announced in 2001. The Thai government declared OTOP policy to overcome the poverty rates as one of the key economic



policy. The OTOP program was first initiated by Thai's former Prime Minister Thaksin Shinawattra. The development of OTOP program was developed under two main pillars, which are to attract more foreign capital by improving the national competitiveness and local economy revitalization and alleviate poverty rates, particularly in rural area through improving domestic demand (Secretariat of the Cabinet, 2004).

The development and promotion of One Tambon One Product (OTOP) is coordinated by **National One Tambon One Product (OTOP) Management Committee (Kor Aor Nor Tor Por)**. OTOP Management Committee is responsible for directing the policy with administrative functions and linking the committee with local areas. To support the execution of OTOP Management Committee, the Prime Minister's Office issued a regulation concerning One Tambon One Product (OTOP) Management Committee (2<sup>nd</sup> Issue) in 2002 (B.E. 2545) with the following administrative functions (See Figure 3.3):

**Figure 3.3**  
**OTOP Movement in Thailand**



Source: Department of Industrial Promotion, Thailand Ministry of Industry (2003) and Office of SME Promotion (2008).

Both SMEs and OTOP are major drivers of the economic growth of Thailand. The combined value of SMEs and OTOP reaches 3.9 trillion baht, accounting for 37 percent of GDP. They employ around 11 million people or about 84 percent of the Thailand's labor force. The value of exports of the SMEs and OTOP producers is worth **2.2 trillion baht**, accounting for approximately 30 percent of Thailand's total export value<sup>1</sup>.

The **top-down approach** in OTOP development in Thailand is without a doubt the **key success** factor of OTOP in the country. Thailand government provides serious attention to the operation of OTOP project to solve poverty, create job opportunity, and increase the income for the community and local area. The government support ranges from improving the knowledge, technology, capital, management, and linkage for community products to domestic and international markets.



<sup>1</sup> [http://thailand.prd.go.th/view\\_news.php?id=6687&a=2](http://thailand.prd.go.th/view_news.php?id=6687&a=2)

In addition to very strong policy support from the government, the very clear coordination and strategy is also one of the success keys of OTOP program in Thailand. Thai government is also successful in creating an image of OTOP as quality benchmark. Another important aspect is the collaboration between various stakeholders to enhance capability of OTOP producers and entrepreneurs, including with the private sector.



The establishment of OTOP clusters covering all products and all levels has also provide a sustainable driving force for OTOP operation in Thailand. Most OTOP producers are skillful in producing handicraft and hand-made products by incorporating cultural and artistic aspect into the products.

Despite the successfulness, there are several inherent **weaknesses** in OTOP operation in Thailand as follows:

1. The operation of OTOP network still lacks legal support to become a clearly-identified legal entity.
2. Many OTOP producers produce similar products due to similarities in local resources and cultural value embedded in the products.
3. Many OTOP producers still highly depends on the support from the government, making them less independent and less self-reliant.
4. Most of OTOP producers have limited knowledge and language skills to access international market.
5. Some OTOP producers have a potential to grow but they lack the access to finance.

In the future, OTOP could gain benefits from several **opportunities**. First, Thailand is well- known for its tourism and linking the OTOP program with tourism activities will offer well-linked productive activities. Second, there is an increasing trend that consumers tend to value the hand-made products higher than factory-made products, especially if the products are linked with culture, arts, tradition, and environmentally friendly. Third, the arrival of the ASEAN Economic Community (AEC) will bring a market of about 600 million people.



However, the AEC will also certainly bring about a tougher competition for OTOP products to compete with cheaper foreign products from abroad. This could lead to **difficulties** in OTOP product sales. The lack of understanding on how to create new products might also threaten the sustainability of the OTOP products, especially since the market is quickly changing and could demands new products. The main **challenge** for OTOP operation is the development of support system for OTOP with holistic support from all stakeholders at national, regional, and local levels to help improve OTOP efficiency and to increase sales of OTOP products according to the goals set up by the government.



### 3.10. Vietnam



Vietnam started introducing OVOP concept as a tool for development in 2006. It is linked to **Decree No 66/2006** on development of rural trades. The early phase of OVOP development in Vietnam tends to focus on developing villages that producing handicrafts. **The Ministry of Agriculture and Rural Development** particularly developed the project “Development of **One Village-One Craft (OVOC)** Program for the 2006-2015 Period.

OVOP development in Vietnam is characterized by **top-down approach** and developing the existing SME centers or villages that produce special and famous products. The villages and SME centers in Vietnam are not generally aware of OVOP concept but they benefit, to some extent, from the government supports in developing their villages as OVOP program. Additionally, OVOP development in Vietnam also tends to have strong correlation with tourism development that is expected to attract more tourists to boost their sales.

The OVOP development in Vietnam has several **strengths**. First, the OVOP development has a very clear and specific area. Second, villages that are promoted through the OVOP program generally produce unique products and have been specializing in producing their current product for a long time and they even already have special brand name. Third, the villages already have established reputation. Fourth, villagers in Vietnam are hard-working and they conduct their business for strong purpose that is for the future of their children.



OVOP development in Vietnam also has several **weaknesses**. First, the less integrated planning and coordination between ministries and agencies, especially related to supports for OVOP movement and SME development. Second, some villages are less independent in providing raw materials. Third, some handicraft villages have limited access to the market and the cooperation between the villages with the distribution agencies is somewhat poor. Fourth, some villages could not maintain their competitiveness and lose their customers. Fifth, the variety of OVOP products in Vietnam is very limited since the OVOP development only focuses on craft sector. Sixth, the villages find it hard to reach international market due to language constraint.



Nevertheless, OVOP development in Vietnam could take advantage from several **opportunities**. First, there is a high demand for handicraft products from European market, especially from Germany and French, and from USA. Second, there is a strong tie between Vietnamese abroad with those in Vietnam that could help them to expand their marketing to the international market. Third, the implementation of decentralization offers an opportunity for OVOP to work more effectively under the management of local government. Fourth, Vietnam is a member of ASEAN Economic Community (AEC) that presents a larger market share.

Despite those opportunities, OVOP development in Vietnam faces several **threats**. First, many craft customers have very high demand of product quality and they might turn to other countries if the craft villages could not meet the expectation.

Second, there has been a fall in the craft product demand since 2007 due to the global economic slowdown. Third, there is a massive intrusion of cheap factory-produced products in Vietnam that could threaten the market for hand-made products and craft products. Fourth, AEC will present a tough market competition for not only Vietnam but for all members.



## 4 | OVOP Development Strategy in ASEAN

OVOP in Japan is initiated from local people (bottom-up approach) and also has a motive in social value. Countries in ASEAN tend to embrace different approaches when they initiate OVOP policy. Different strategies are taken by different countries to suit to their local-realities. Each country of ASEAN member states has their own characteristics that can be categorized into four matrix arrangements that consist of motives and approach combination in initiating OVOP movement (See Figure 4.1). This classification is carried out based on researchers' perspective after carrying out study visits to nine ASEAN member states and in Japan.

**Figure 4.1**

Motives/Approaches	Top-Down	Bottom-up
<b>Economic Motives</b>	<b>2</b> Thailand, Malaysia, Indonesia, Philippines	<b>1</b> Myanmar, Cambodia, Vietnam, Laos
<b>Social Motives</b>	<b>3</b> Brunei	<b>4</b> Japan

Countries that belong to the first quadrant in the matrix combination in Figure 4.1 are those that take a strategy mix of bottom-up approach and economic motives. Countries that fall into these characteristics are Myanmar, Cambodia, Vietnam, and Laos. Previously, the government in these countries also play significant role in implementing OVOP program, such as in formulizing policies that support OVOP development. However, the later OVOP development in those countries is more dominated by the role of the local community due to the lack of financial assistances, commitment, and leadership from the government side to support the development of OVOP program in those countries.

Meanwhile, in the second quadrant of the matrix combination, the government plays a significant role in OVOP adaptation and focus in economic motives. Those belong to this quadrant are Thailand, Malaysia, Indonesia, and Philippines. Brunei Darussalam is classified in the third quadrant of the matrix where it combines top-down approach with social motives. Japan, the country where OVOP originated, is the only country in the fourth quadrant where it combines the bottom-up process and social motives in its OVOP movement.

Based on the classification, each combination has their own pros and cons. The weaknesses of program that is initiated by the government is that it is relatively less sustainable compared to

that initiated by local people. This is due to the fact that this type of program is usually in the form of government project which is followed by financial or technical supports. If the local people cannot manage their dependency from government assistants and supports, as soon as the project timeline is completed, the development of the program could not be continued any longer. These factors also can affect local people in developing the program. However, bottom up process could face challenges when the local people could not optimize their creativities and innovative, motivation, and responsibilities.

In order to have a sustainable OVOP program, it is recommended that the initiative to implement OVOP program from the local people rather than from the government. This initiative shall set necessary supports from local government and donors to strengthen their ability and skills.

The next recommendation is to prioritize more on social motives rather than economic motives. One of the success indicators of OVOP movement is by evaluating the Gross National Satisfaction (GNS), instead of Gross National Production (Hiramatsu, 2008). One of the examples to ensure the improved level of satisfaction is that people have more quality time with their family. In Japan, after switching from rice plantation to products with higher added value, Nuts, Plum and Chestnut, the income of Oyama's farmers increased and they were finally able to save money for a trip to Hawaii (Fujita, 2006). Program that emphasizes on social motives would encourage local people to have more sense of belonging, trust, understanding with other people, and appreciation. Therefore, any types of program that is implemented under this motive could be more effective and sustainable.

### **Success Keys of OVOP Movement Implementation Strategy**

In summary, in order to have successful OVOP implementation, the following are several success keys to follow:

1. OVOP program implementation should be followed by strong leadership. Local leaders could play a role as motivator and lead the local people to achieve success.
2. Strong commitment both from local people and the government. This could be in the form of financial supports or technical assistances from the central government.
3. The program should be initiated by local people. This will ensure the sustainability of the movement, although it takes relatively a longer period for the results to appear.
4. If the program implementation is initiated by central government, there should be several requirements to guarantee the sustainability of the movements. Those requirements are as follows:
  - a. A program that is supported by the government should have targeted achievements and should not be provided for long period of time. The support shall be temporary.
  - b. A program that is initiated by the government should acts as a stimulant only. Partial contribution from awardees beneficiaries are highly recommended to increase their ownership.
  - c. A program that is supported by the government should be replicable or adapted to other regions or countries.

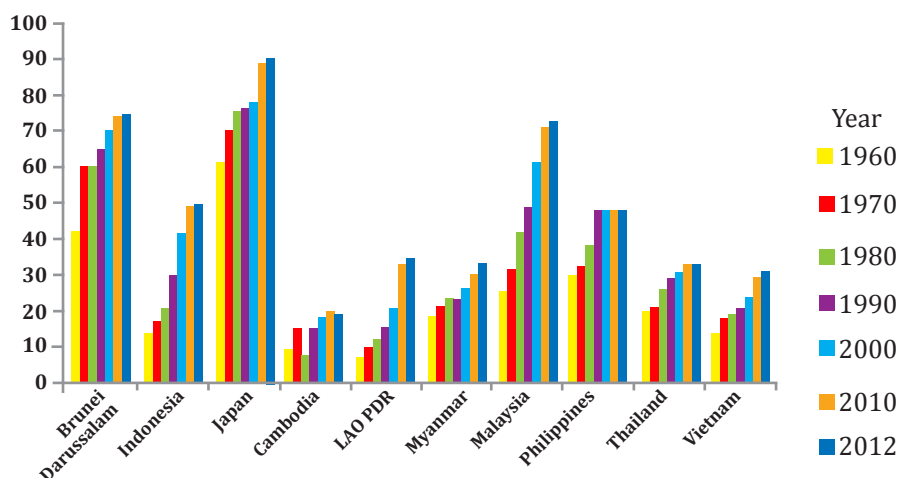
- d. A program that is initiated by the government is aimed to help solving market failure.
- e. The program that is implemented by the government should be able to encourage local initiative to be more creative and innovative in discovering their local potentials within the period of the program
- f. Central government should disseminate their program in the form of developing a paradigm of community-based development.

### **Challenges OVOP Program Implementation in the Future**

There are a number of challenges and issues that could affect the success rate of OVOP program implementation in the future that the AMSs could encounter as follows:

- a. Nowadays, in the era of post modern technology, the social structures in society is shifting. People are relatively more individualist compared to those in the past. Moreover, people are more market-based oriented. There are values that the present generation does not preserve anymore, such as community sharing to resolve problem, sharing responsibility to take care the community, trust, appreciation and responsibility. There are various factors that affect this phenomenon of social condition; one of them is massive progress in information technology. This progress is unavoidable and it can bring good benefit to the community when it is properly managed.
- b. Based on Figure 4.2 it can be seen that more and more people move and live in urban area. In 1960, around 61% of people in Japan living in urban areas. This number has significantly increased to 91% in 2012. The condition in the AMSs tends to show a similar pattern. The total percentage of urban population in Brunei, Malaysia and Indonesia was more than 50% in 2012. Lao PDR has 35% of its total population living in cities in 2012, while it was only 7% in 1960.

**Figure 4.2**  
**Urban Population (% of total population)**



Source: data.worldbank.org

The World Health Organization (WHO) predicted that by the 2030, 6 out of every 10 people will live in a city, and in 2050, the proportion will increase to 7 out of every 10 people. This pattern indicates a switching in rural culture and lifestyle. This condition is contrary to the main concept of OVOP movement which emphasizes community based development.

- c. The next challenge of OVOP program implementation is the access to finance. Tambunan (2008) mentions that in developing countries, SMEs have a crucial role in income distribution, creating job opportunities, poverty reduction, and export growth. However, most of the SMEs in developing countries have difficulties in expanding their business since they lack access to finance. SMEs and OVOP actors cannot develop their business due to lack of access in formal credit to finance needed working capital.

# 5 | The Implementation of One Village One Product

Successful implementation of OVOP movement requires some prerequisites. Those are (1) effective institutional coordination and arrangements, (2) strong leadership, (3) clear implementation mechanism and support system, and (4) continuous data collection and monitoring and evaluation (monev) process. Those four factors will change OVOP movements that are implemented as project-based activities to be the ones that involve active participation of the community and business sectors.

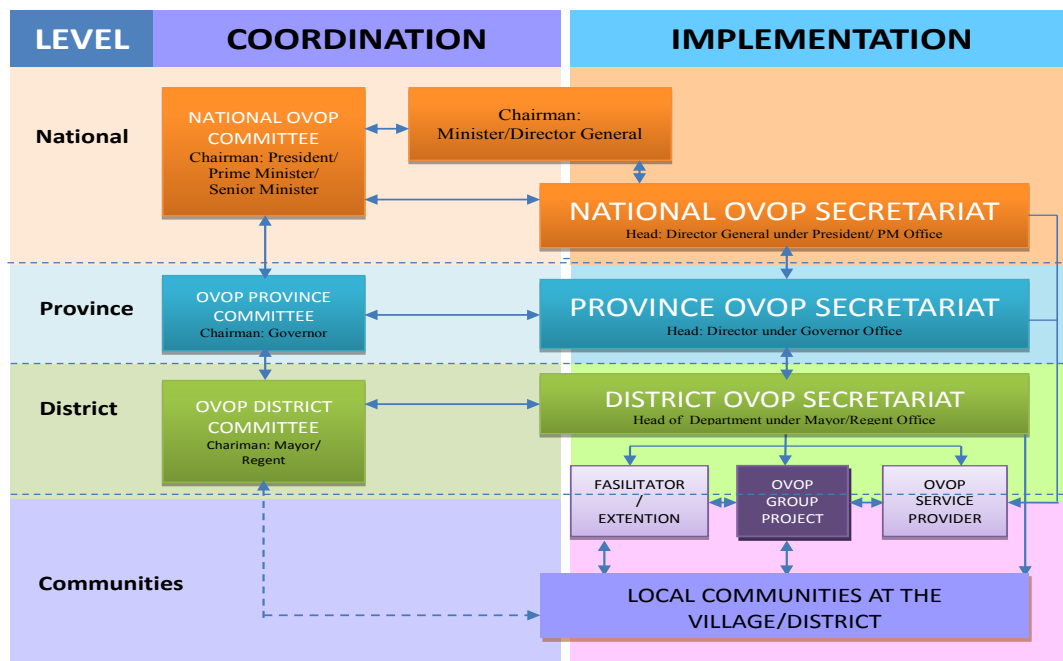
## 5.1. Institutional Coordination and Arrangements

OVOP adaptation and implementation requires an effective institutionalized coordination both at the central level and the local level. The success factor also lies in the high and consistent commitment to implement the OVOP movement. At the national level, the institutional coordination should be at the national office, such as Presidential Office or Office of Prime Minister. This will make easier coordination process across ministries or national departments regarding OVOP implementation. The institutional coordination will require a strong vision of the national leader to develop OVOP as a paradigm and approach in developing rural/local areas.

At the local level, the vision to develop OVOP movement should be embraced by the heads of regions and local leaders in order to be effective OVOP motivators and movers in their respective regions. The involvement of the main actors in business sector could also be an effective motor for fostering OVOP movement at the grass-root level. Therefore, establishing an institutionalized coordination and implementation of OVOP program from the national level to community level in an integrated manner is of high importance (Please see Figure 5.1).



**Figure 5.1**  
**OVOP Institutional Framework**



### 5.1.1. Institutionalization of National OVOP

The institutionalization of OVOP at the central level could take form as National Committee or OVOP Secretariat. The National Committee should be led by the President or the Prime Minister, or Coordinating Minister that coordinates ministers and heads of national departments that are responsible for developing micro, small, and medium enterprises (MSMEs), trade, industries, agriculture, tourism, labor and employment, finance, national standard, export promotion, ministry of home affair, chamber of commerce, etc. Another possible alternative is the National Committee is to be led by the appointed ministry or institution. However, in this case, there should be a strong political support from the head of government to the appointed ministry or institution to carry out its mission.

The National Committee could take several roles as follows: (1) to develop a guidance on OVOP implementation, (2) to coordinate OVOP development policies and strengthening supports from various ministries and national bodies, (3) to mobilize resources and establish work plan and budget for OVOP projects, (4) to promote OVOP development nationally and to develop projects as excellent examples of OVOP movement at the national level, (5) to

coordinate and provide technical assistances to provincial and district governments to develop OVOP at the local level, and (6) to coordinate the monitoring and evaluation activities of the OVOP implementation at the national level.

The National Committee should arrange coordination meetings at least twice a year, or as many as necessary. The first meeting should address planning, budgeting, and resource mobilization. The second meeting should discuss how to coordinate OVOP policies and strengthening supports for OVOP implementation, as well as discuss how to solve existing issues based on the result of the monitoring and evaluation processes.

The National Committee may establish OVOP working groups whose role is to formulate integrated policies and strengthening support to certain sectors or business areas, for example: handicraft, tourism and others. This working group could be headed by a minister or general director of relevant ministries, for example: handicraft industry development working group could be headed by the Minister/General Director of the Ministry of Industry, while tourism development working group could be headed by the Minister/General Director of the Ministry of Tourism. The OVOP working groups could consist of senior officials of relevant ministries/ national agencies and business associations related to sectors/areas being developed.

OVOP Secretariat is an implementing unit that is responsible for carrying out the policies established by the National Committee. The Secretariat should be headed by a General Director who is under control of the Presidential Office or the Office of the Prime Minister, or the Coordinating Minister, or Senior Minister related to MSMEs and industry or Minister of Home Affair. The Secretariat could hold meetings or coordination with other related ministries or government bodies and provincial office.

The OVOP Secretariat should play several functions as follows: (1) to act as the secretariat of the National Committee, (2) to make detail planning regarding OVOP development at the national level, including synchronizing OVOP budgeting activities across ministries, (3) to coordinate the implementation of policies set by the National Committee, (4) to coordinate the implementation of strengthening supports across ministries/government bodies for OVOP program, (5) to disseminate and promote the implementation of OVOP nationally, (6) to manage the administration of OVOP implementation at the national level, ranging from selection phase, establishment of the types and the extent of strengthening supports to OVOP, the mapping of OVOP performance, and reporting activities of OVOP program, (7) to provide technical assistances to OVOP Secretariat Committee at provincial and district level, and (8) to develop national OVOP database, and (9) to carry out monitoring and evaluation of OVOP program at the national scale.

### **5.1.2. Institutionalization of OVOP at Provincial Level**

The OVOP Development Committee at the provincial level should be under coordination of the Governor and play several roles as follows: (1) to develop OVOP movement at the provincial level, (2) to provide technical assistances to district governments in order to be able to effectively develop OVOP in their respective districts, (3) to mobilize resources for OVOP project, synchronize the planning and budgeting for OVOP development in their province, (4) to coordinate monitoring, evaluation, and reporting activities regarding the progress of OVOP development in their province, (5) to promote OVOP implementation and develop models for successful OVOP implementation at the provincial level, and (6) to coordinate the monitoring and evaluation of OVOP program in their province.

The provincial OVOP Committee could be assisted by Province OVOP Secretariat, especially if the the OVOP development is massive and becomes the development program priority of the province government. Therefore, the Province OVOP Secretariat, ideally, should be under the Governor's Office or assigned to agency coordinate the SME development or other relevant institutions, complemented by strong political support from the Governor.

The Provincial OVOP Secretariat has several functions as follows: (1) as the secretariat of Provincial OVOP Committee, (2) to plan the details of OVOP development at province level, including in synchronizing the budgeting of OVOP activities across local government agencies, (3) to implement the policies established by the National/Province OVOP Committee, (4) to serve as a bridge between National OVOP Secretariat and District OVOP Secretariat, (5) to coordinate strengthening supports from across local government agencies, (6) to socialize and promote the implementation of OVOP in their region, (7) to manage the administration of OVOP implementation in their region, from selection process, proposal on the types and the extent of strengthening supports at the province level, and the performance reporting to the Province OVOP Committee and the National OVOP Secretariat, (8) to provide technical assistances to District OVOP Secretariat and OVOP Management, (9) to carry out OVOP performance ranking in their region, and (10) to carry out the monitoring and evaluation process of OVOP implementation in their region.

### **5.1.3. Institutionalization of OVOP at District Level**

The OVOP Implementing Committee at the district level should be under coordination of the Head of District/Mayor. The following are the roles of the OVOP Committee at the district level: (1) to coordinate the implementation of data collection and the mapping of the potential of MSMEs in the district, as well as identify necessary supports that are needed to develop OVOP in the district, (2) to promote and provide stimulus for OVOP movement in the district, (3) to mobilize resources for OVOP project and set the the plan and budget for

OVOP implementation in the district, (4) to coordinate strengthening supports and technical assistants for OVOP entrepreneurs in the district, (5) to coordinate the process of providing technical assistants to those managing OVOP implementation in the district in order to be able to obtain cross-institutional supports, such as supports from the provincial and central government as well as from the business sector, (6) to develop models for successful OVOP implementation at village/district/province level and formulate clear action plans, (7) to promote the successful of OVOP movement in the district in order to make the movement more sustainable, (8) to carry out monitoring, evaluation, and reporting activities in terms of an integrated OVOP database, and (9) to develop the institution and the capacity of community business groups and MSMEs in the district in order to be able to access the strengthening supports from the province or the national level.

The District OVOP Committee could be assisted by Provincial OVOP Secretariat, especially if the the OVOP development becomes the development program priority of the district government in massive and sustainable manner. Therefore, the District OVOP Secretariat should ideally be under the Head of District's Office or assigned to agency that coordinates the SME development or other relevant institutions, complemented by strong political support from the Governor.

The roles of the District OVOP Secretariat are as follows: (1) as the secretariat of District OVOP Committee, (2) to make detailed planning regarding OVOP development in their respective region, including synchronizing OVOP budgeting activities across local government institutions, (3) to implement the policies established by the National/Province/District OVOP Committee, (4) to carry out data collection and the mapping of the local potential that could be developed by using OVOP approach, (5) to provide and deliver the strengthening supports and technical assistances from various institutions in their respective region, (6) to socialize/communicate and promote the OVOP implementation in their respective region, (7) to manage the administration of OVOP implementation at their respective region, ranging from selection phase, the proposal regarding the types and the extent of strengthening supports to OVOP in their respective region, and to report the OVOP performance in the region to the District OVOP Committee and Province OVOP Secretariat, (8) to provide technical assistances to OVOP Implementing Committee and OVOP management at the district level, (9) to assess and rank the OVOP performances in their respective region, and (10) monitoring and evaluation of OVOP program.

#### **5.1.4. OVOP Management**

OVOP Management plays the following roles: (1) to develop MSMEs or the business of its group member, (2) to identify the needs for business capacity improvements of its

members, (3) to prepare proposals for business capacity improvements of its members to the relevant and qualified institutions, (4) to carry out business capacity improvements of its members by optimizing the supports for OVOP program, (5) to manage the funds or strengthening supports for OVOP from various institutions, (6) to develop OVOP group institution in order to be a legal and formal institution, and (7) to prepare reports on its members' business progresses and submit them to the OVOP Implementing Committee at the district level.

The OVOP Management should consist of the Chair, Secretary, Treasurer, and several units depending on the needs for developing OVOP business groups. The OVOP Management could form a cooperative or other types of institutional bodies that could support the development of its members' business activities in a more sustainable manner. The cooperative or other types of institutional bodies to be formed could be owned by one OVOP group or more, depending on the optimal business scale.

In order to support the implementation of OVOP program in a sustainable manner, we could consider to give roles to the head of village or the head of subdistrict or local community leaders or successful local entrepreneur as mentors or advisors in OVOP management. The involvement of these leaders is expected to be able to integrate the development of OVOP groups through rural development revitalization. However, there should be a mechanism to minimize the adverse impact of these leaders involvement on the creativity, innovation and speed of OVOP group development.

## 5.2. Leadership

A strong local leadership combined with a community-based development paradigm is the key success factor of OVOP movement in general. Socialization and dissemination of OVOP to local government and local stakeholders are of most important. This can be done by showing them various successful local economic development using OVOP approach. The examples of successful OVOP programs and comparative study could motivate the local government to adapt and develop OVOP in their region.

Local leadership that has a commitment to develop OVOP can be nurtured through: (1) examples set by the national leader who has a commitment to develop rural local areas through OVOP approach, (2) intensive and sustainable socialization on the successful local socio-economic development based on OVOP movement, (3) further development of various successful OVOP projects initiated by the government, business sector, and community, (4) providing necessary strengthening supports and technical assistances for

local governments who have commitment to carry out OVOP movement, and (5) providing awards and publication incentives for local leaders who are successful in developing OVOP in their regions.

The role of the national leader is to empower local leaders and business sectors to embrace the vision of OVOP development as an approach in local community empowerment and economic revitalization. Meanwhile, the role of the local leaders is to create and nurture new leaders that embrace the vision of village economic development and local community economic empowerment by using OVOP approach. The head of village, local community leaders, young activists, women activists, and local entrepreneurs at village and subdistrict level could be encouraged to be committed local leaders to improve and develop OVOP in their regions.

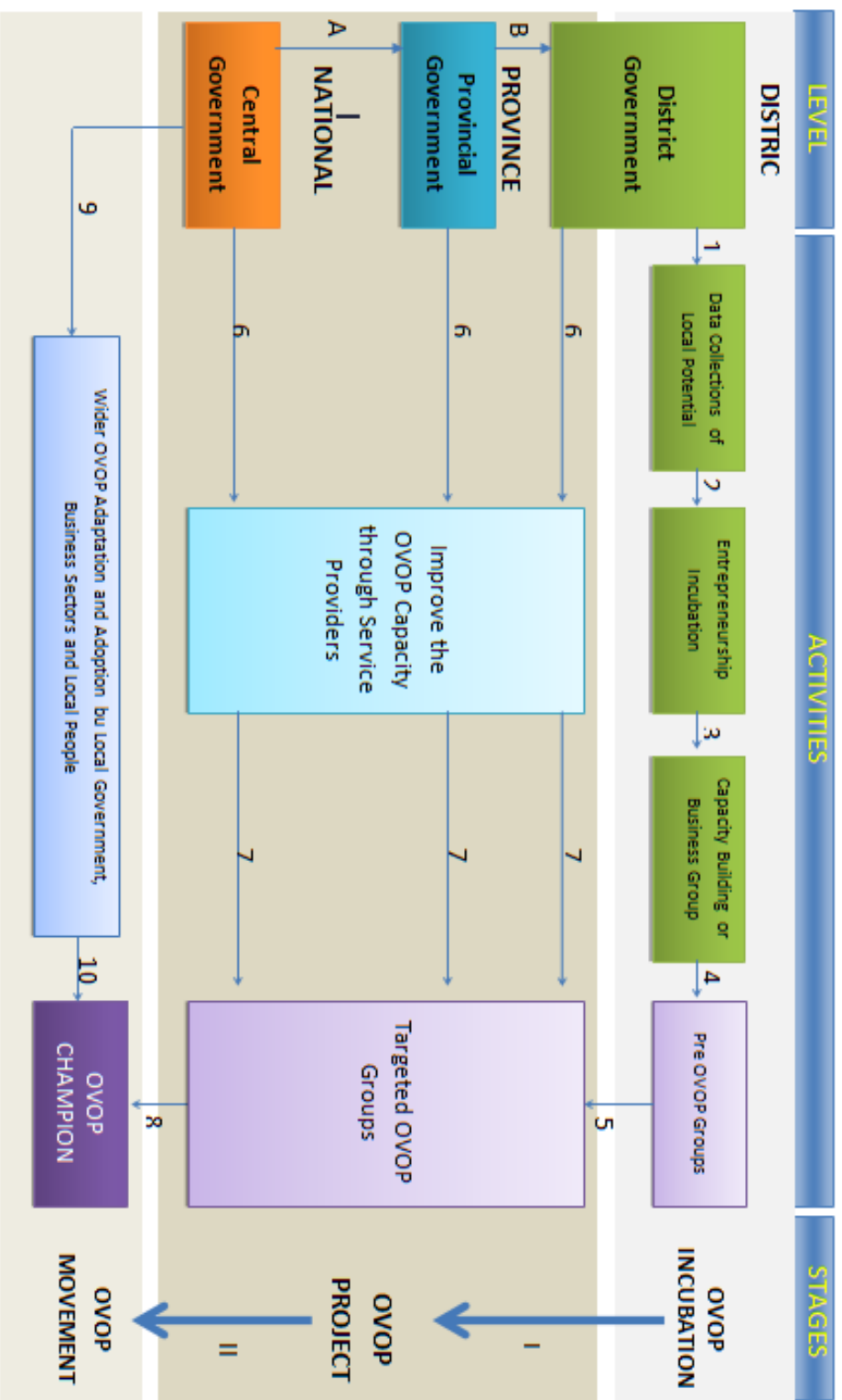
The commitment of the local leaders that share the vision of OVOP development will make easier the community empowerment processes that will be integrated into the local economic development and village development in a sustainable manner. These local leaders will accelerate the efforts in transforming OVOP to be community's social and economic movement and to reduce the dependencies of the OVOP program on the supports from the government.

## **5.3. Clear Mechanism and Strengthening Supports for OVOP**

### **5.3.1. OVOP Development Pattern**

OVOP development could be initiated by the central or local government either in the form of OVOP development projects with competitive strengthening supports (top-down approach), or OVOP movement which are based on community initiative (bottom-up approach). Both approaches could be synergized each other and complementary to each other. The bottom-up approach should be carried out by the local government to develop community businesses which are based on local specialty. The central government then improve the capacity of the community business through OVOP project in order that the community product could be more competitive in national and global market. The development of OVOP movement from incubation phase to OVOP Champion is presented in Figure 5.2.

Figure 5.2. OVOP Movement Development



Explanation on Figure 5.2:

A – The central government shows a strong commitment to develop OVOP by establishing guideline and policies on OVOP development and strengthened by the commitment of the province government that uses OVOP approach as the priority of local economic development together with the district government (B).

The phase of OVOP development is started from the business group incubation phase by the district government together with the local community by developing the entrepreneurship spirit of the local community in order to be able to transform into MSMEs that could meet the OVOP program criteria. The incubation phase could be continued by carrying out the OVOP project phase through providing strengthening supports to community business groups or MSMEs (OVOP producers) in order to be able to be OVOP champion (I). The increase in the number of OVOP champion will encourage the local government, business sectors, and wider community to adopt and adapt OVOP Movement (II).

In order to develop OVOP, there are several necessary activities needed to be done: (1) data collection of local economic potential; (2) incubation of local community entrepreneurship spirit, (3) to improve the capacity of the community business groups and MSMEs in order to be able to fulfill the pre-OVOP product criteria; or (4) to develop pre-OVOP groups; (5) to provide technical assistances in order to help the pre-OVOP groups could fulfill the OVOP criteria or access OVOP program; (6) District, Province, and Central Government establish the types and the amount of strengthening supports that will be provided for OVOP groups; (7) Strengthening supports from the government to targeted OVOP groups will be conducted by service providers in order to maintain the sustainability of the services and to develop Business Development Services (BDS) market; (8) to facilitate the follow-up supports and monitor the supports in order that the OVOP groups could transform into OVOP Champion Groups; (9) the government promotes the successful implementation of OVOP development and provide guidance on adoption and adaptation of OVOP development; (10) to encourage local government, business sector, and local community in developing OVOP Champion Groups that could set examples for a wider community. Therefore the OVOP development could become OVOP movement for the community.

OVOP movement is considered to have a strong root in the community and have long-term prospect, due to the basis of the OVOP movement that is based on community initiative and the support from the business sectors as OVOP business partner. OVOP movement requires strong supports from the local leaders in order to be able to empower local community in optimizing economic potentials of a village or a group of villages. OVOP movement is directed toward the improvement of social solidarity and induce community interests to produce high quality and unique products based on the potential of their region.

The development of OVOP movement should follow several steps as follows: (1) collecting data on rural/local economic potentials and products that can be developed as the community's common business, (2) raising the interests of the community to become entrepreneurs by forming business groups, (3) improving the entrepreneurship capacity of the community in the form of common business groups, (4) providing strengthening supports to the community business groups such as capital, access to market, technology, packaging, and quality management, (5) improving the capacity to become independent business with



prospects of producing special products of the village, (6) developing MSMEs through assigning ranks and providing integrated supports, (7) developing synergy between business groups and MSMEs to develop product brands of the village or the groups of villages which are well known by wider community, and (8) preparing OVOP management groups in order to be able to access competitive government program or OVOP projects.

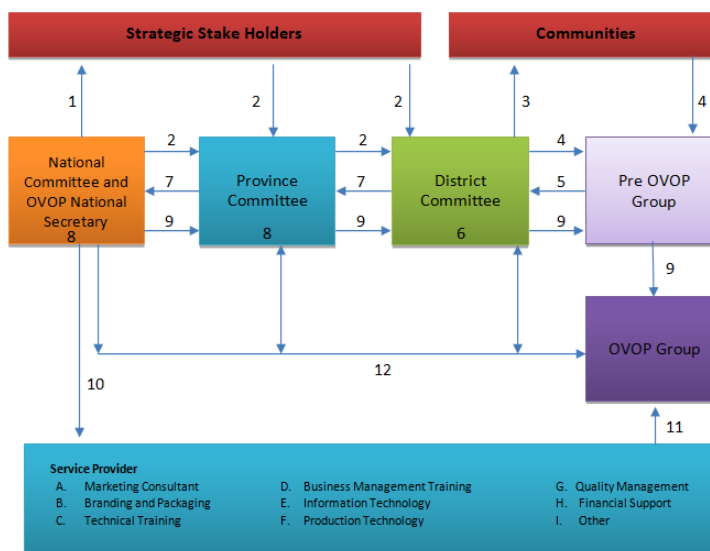
OVOP projects which are initiated by the government tend to choose the special local products that are highly potential to be developed to compete in local, national, as well as global market. Therefore, local government should motivate and provide stimulus for OVOP movement in their regions, in order to form sufficient amount of business groups in various villages covered in the OVOP movement.

OVOP project is highly effective to introduce and motivate a wider OVOP development in a relatively shorter time. Therefore, this approach is frequently adopted and adapted by national government and implemented nationally (top down approach). The success of this approach requires high commitment and strong development vision of the national government, as well as the sustainability of the policy supports and budget for adequate period, e.g. 10 years or more. Considering the limited government budget, the project-based approach is suitable for developing existing business groups or MSMEs that have potential to be developed to produce local main products and could penetrate global market.

### 5.3.2. OVOP Implementation Steps

Successful OVOP implementation needs to follow several steps (Figure 5.3). These steps can be adjusted to the real condition of the community and government administration and governance in each country.

**Figure 5.3. OVOP Program Implementation Steps**



These steps are as follows:

### **Step 1. Establish OVOP National Committee and National Secretariat**

Establishing OVOP National Committee and National Secretariat shows a strong political support from the national leader to carry out local economic development by using OVOP approach. This will also disseminate the concept and implementation of OVOP to wider stakeholders. OVOP National Secretariat should establish criteria and mechanisms for the provision of OVOP strengthening supports, as well as types and the amount of OVOP supports to be budgeted every year.

### **Step 2. Promotion of OVOP to Province and District Stakeholders by OVOP National Secretariat**

OVOP National Secretariat should disseminate the concept and implementation of OVOP to stakeholders and to encourage the establishment of Provincial OVOP Committee by governor and District OVOP Committee by the head of district/mayor, as well as assign a special working unit to act as the OVOP Implementing Secretariat.

### **Step 3. OVOP Promotion to Community by District OVOP Committee**

District OVOP Committee should disseminate OVOP concept to community leaders and business sectors in their region to encourage the community to propose OVOP activities and raise the interest of the community to develop business groups based on local resource potential.

### **Step 4. Business Incubator and Improvement of MSME Capacity by District Government**

District Government should develop business incubator to grow and expand community business groups and MSMEs based on local resources. Business incubator could be carried out through trainings and capacity building, mentoring, and providing capital for business start-ups. For regions that already have enough MSMEs and community business groups, they could improve the capacity of MSMEs and community business groups in the region in order to be able to fulfill the criteria to access OVOP program.

### **Step 5. OVOP Proposal**

Community business groups that are interested in accessing OVOP program should prepare a proposal. The proposal will be submitted to OVOP Committee Secretariat at district level. One of the factors of consideration in approving the proposal is the uniqueness of products and services, market potential, and the contribution towards community.

### **Step 6. First Selection at District Level**

Preliminary selection of the proposal will be carried out by OVOP Committee at district level, based on the result of field verification conducted by Committee Secretariat at the district level.

The selection will take into account the following factors: (1) how far the proposal could meet OVOP criteria, (2) assess the uniqueness of the product or service, market potential, and the contribution toward community, (3) provide assessment regarding the strengths and weaknesses of the proposal, and (4) determine the follow up regarding the proposal, whether the proposal is (i) eligible to be submitted to OVOP National Secretariat, (ii) eligible to be submitted to OVOP Secretariat at provincial level to obtain strengthening support from the OVOP Committee at the provincial level, (iii) eligible to obtain strengthening support from the district government, and (iv) ineligible, and need to have mentoring processes in order to be able to access OVOP program in the future.

#### **Step 7. Processing the Proposal, Eligible**

Eligible proposals will be passed through to the National Committee Secretariat and/or Provincial Committee, depending on the level of its eligibility. Proposals that are eligible for strengthening supports by the district government will be take care by local government working units that have support programs that are relevant to the needs of the OVOP groups. Proposals that are eligible for further selection process will be passed through to national Secretariat. Ineligible proposals will be returned to OVOP groups with accompanying explanations and further mentoring process.

#### **Step 8. Second Selection by National Secretariat and/or Provincial Committee**

The second selection process will be carried out by the National Committee. The OVOP National Secretariat Committee could also assign Provincial Committee to carry out the proposal selection process in their respective region. Provincial committee should also carry out the selection process (see Screening Form of OVOP Program in Appendix 2).

The selection process should consider the following aspects: (1) The equalization and distribution project area, (2) the availability of supporting infrastructure for the success of OVOP business, such as: roads, transportation, connectivity, (3) the availability of services providers Business Development Service - Providers (BDS-P), financial institutions, educational and research institutions), (4) the uniqueness of the products/services that could be developed as a strong product differentiation, (5) The presence of existing OVOP institutions, and (6) support from the district government.

#### **Step 9. Selection of OVOP Program Recipients**

National Secretariat decide the OVOP program participants who have passed the selection processes, and determine the types of supports that could be awarded for the development of OVOP business groups/SMEs, as well as alternative service providers that could improve the capacity of the OVOP program recipients. The National Secretariat will announce the result of OVOP participant selection to the OVOP business groups/SMEs, through provincial and district committee, in the form Certificate of OVOP Participants.

Participants who have a Certificate of OVOP Participants could request for OVOP ranking assessment to the National Secretariat in order to obtain further supports and use the OVOP logo with stars rating and registration number.

### **Step 10. Alliance With Service Provider (Service Providers)**

The National Secretariat Committee will determine the criteria of service providers that suits the OVOP program and select the qualified service providers. The National Secretariat committee could set the tariff range of the service providers to facilitate better budgeting process and the assignments of the service providers in assisting the OVOP groups.

The selected service providers will provide the services to OVOP groups according to their competencies, for example: (i) marketing consultant, (ii) branding and packaging, (iii) technical training, (iv) business management training, (v) information technology, (vi) production technology, (vii) quality management, (viii) financial support, and (ix) facilitate intellectual property right, (x) others.

The Provincial Committee and District Committee could select the service providers for OVOP development and finance it using the regional budget, according to the guidelines from the National Secretariat. All BDS for OVOP program should be registered in the National Secretariat or the Provincial and District Committee (See Figure 6.1 in Appendix).

To support the OVOP program, BDS market and micro financial market development are necessary. Therefore, the supports will not be given directly provided by provincial/district governments, but through a competent and qualified service provider. Districts that do not have a competent service provider should encourage the development of BDSs or attract more BDS to provide service to their areas, as well as develop BDS markets in the area.

### **Step 11. Provision of Business Development Services**

Service providers should properly assess the demand for business development services of the OVOP Project and determine the type and quantity of services that is needed to be submitted to the National Secretariat Committee through the Provincial or District Committee.

District Committee shall approve and order the commencement of the service provision. Then the service providers could provide services according to the needs of OVOP. After the completion of service OVOP development, the service provider should make a report and submit invoice for the services that it has provided.

District Committee will check the accuracy of the implementation of the services and then process the payment of the services to the District Committee or Provincial Committee or National Secretariat, in accordance with the sources of financing.

## **Step 12. Monitoring and Follow-up**

District Committee should carry out data collection and registration of OVOP groups in their area on a regular basis, and submit it to the Committee on Provincial and National Secretariat committee. The OVOP groups that have been registered will receive the membership number. The registration process should be carried out for both OVOP groups that already received supports from the government and those that have not received any supports from the government (See the Registration Form in Appendix 1).

District Committee together with Provincial Committee and the National Secretariat will carry out a monitoring for OVOP groups (especially OVOP project) to determine the progress of its development and necessary further assistances. The monitoring results will be submitted to the National Secretariat annually as the basis for policy formulation and OVOP planning development in the next financial year.

## **5.4. Data Collection, Rating, Monitoring and Evaluation**

### **5.4.1. Data Collection and Registration**

Ideally, the District/City Government registers OVOP and SME groups that are located in their regions. The database should make records on name, address, products, and SWOT that enable for OVOP development planning in their region, and determining the type of needed supports. The National Secretariat needs to develop data collection system as an integrated OVOP database.

OVOP data collection should be followed up by OVOP registration process. OVOP registration is a starting point towards business legality in accordance with applicable laws in each country.

The developed SMEs or OVOP groups should be encouraged to meet the legality according to applicable legal entity and represent the interests of OVOP entrepreneurs, such as: cooperatives, corporations, etc. The legality is needed enable them to access global market and access needed resources for their business development, such as banking (See Figure 6.2 in the Appendix).

OVOP registration can be carried out by following two procedures as follows:

#### **1. OVOP supported by government project.**

These OVOP groups are automatically registered along with proposal submission process submitted to the National Secretariat.

#### **2. Community-Initiated OVOP (OVOP that is not supported by government project).**

Non-supported OVOP groups that are interested to register their products as 'OVOP product' should follow the following steps: (i) business groups or SMEs fill out the registration form and submit it to the National Secretariat or through the District Committee, (ii) the National

Secretariat assigns the District Committee to assess its business groups' products and activities, and their compliance with OVOP criteria, (iii) products that comply with OVOP criteria will be given a registered status by the National Secretariat, and (iv) products which is not in accordance with OVOP criteria are stated 'can not be registered' and notes for their products improvement will be provided.

#### **5.4.2. OVOP Rating**

OVOP or SME business groups whose products have been listed as OVOP products will be awarded OVOP certificate by the National Secretariat. OVOP certificate can serve as a basis for carrying out OVOP business group rating that is conducted regularly by OVOP rating institution appointed by the National Secretariat. Screening Form in the Appendix 2 could be used as a starting point for developing OVOP rating.

OVOP products are classified based on the evaluation rankings symbolized by 'star' as follows:

1. 5-star OVOP products have excellent quality and should be able to penetrate the export market.
2. 4-star OVOP products have very good quality and are suitable for national market. With some improvements, they are expected to achieve 5-star rating for export market.
3. 3-star OVOP products have good quality and are suitable for local market. With some improvements, they are expected to achieve 4-star rating for national market.
4. 2-star OVOP products have quite good quality, but still need guidance to improve their product quality, and with some improvements they are expected to achieve 3-star rating.
5. 1-star OVOP products are those that still need significant improvements to be able to achieve 2-star rating.
6. Non-star OVOP products are those that still need a lot of improvements and guidance to achieve 1- or 2- star rating.

The rating results can be used by central and local government and business sector for further fostering business groups or OVOP SMEs. It also could be used by OVOP business groups to access resources for their business development, such as business financing from banking, etc.

#### **5.4.3. Monitoring and Evaluation**

OVOP performance monitoring and evaluation should be carried out regularly, at least twice a year, by District/City Committee. OVOP performance monitoring by the National Secretariat through Province Committee should be carried out at least once a year. The monitoring results will be used as a basis to evaluate OVOP performance and established OVOP development policies in the future.

The District OVOP Secretariat will organize OVOP performance monitoring and evaluation meetings at least twice a year. The result of the meetings will be discussed with the District OVOP Committee and Province/National OVOP Secretariat. The Province OVOP Secretariat will arrange OVOP performance evaluation meeting with District OVOP Secretariat and other related stakeholders at the province level at least once a year. The result of the meeting will be communicated with Province OVOP Committee and the National OVOP Secretariat. The National OVOP Secretariat will organize OVOP performance evaluation meeting with Province OVOP Secretariat and other related stakeholders at the national level at least once a year.

The National OVOP Secretariat will hold OVOP stakeholders forum and OVOP festival at least twice a year, as a forum for giving awards and publication incentives for OVOP participants and local leader that are successful in developing OVOP in their community.

The District/Province/National OVOP Committee should carry out follow-up activities on the OVOP performance evaluation and report the result to the Implementing Secretariat in order to formulate suitable policies and strengthening supports and to foster the OVOP development in a sustainable manner. The result of the committee meetings will produce guidance and action plan for the OVOP Secretariat that will implement and synchronize OVOP development in their respective region.

## 6 | Appendices



## Appendix 1. Application Form of OVOP Program

# Application Form of OVOP Program

### Group / SME Company/ OVOP Product Producer Identity

1. Group Name/ SME Company Name : \_\_\_\_\_
2. Business Address : \_\_\_\_\_
3. District/ Province : \_\_\_\_\_ / \_\_\_\_\_
4. Total Membership/ Employee : \_\_\_\_\_ person/s; in details:  
\_\_\_\_\_ Men \_\_\_\_\_ Women \_\_\_\_\_ Youth \_\_\_\_\_ Disabled
5. Place and Date of Formation : \_\_\_\_\_
6. Name of Contact Person : \_\_\_\_\_
7. Phone/ Fax/ E-mail : \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_
8. Registration Certificate No\* : \_\_\_\_\_
9. Bank Name/ Account Number : \_\_\_\_\_ / \_\_\_\_\_

### Type of Product

1. Type of Product/ Service \*\* : \_\_\_\_\_ / \_\_\_\_\_
2. Experience : ☐ New Product ☐ Existing Product, since \_\_\_\_\_ (year)
3. Product Brand : \_\_\_\_\_
4. Uniqueness and Strength of Product: \_\_\_\_\_
5. Packaging Form : \_\_\_\_\_
6. Main Product Use : \_\_\_\_\_
7. Certificates/Licensed of Product \* : \_\_\_\_\_ Publisher Institution: \_\_\_\_\_

### Business Capacity

1. Production Capacity : \_\_\_\_\_ unit/ month
2. Number of Products : \_\_\_\_\_ unit/ month
3. Period of Production Time : \_\_\_\_\_ month/year
4. Production Process : \_\_\_\_\_
5. Production Technology : ☐ Manual ☐ Semi-Automatic Machine ☐ Modern Tools
6. Availability of Local Raw Materials : \_\_\_\_\_ %
7. Availability of Local Labor : \_\_\_\_\_ %

8. Market Share : \_\_\_\_\_  
 \_\_\_\_\_ % Local \_\_\_\_\_ % Regional \_\_\_\_\_ % National \_\_\_\_\_ % Export

9. Promotion and Marketing :

10. Rates of Growth of Sales per Year :

## 11. Infrastructures

a. Land and Building : \_\_\_\_\_ M2 Location: \_\_\_\_\_ Status: Rent/Own Property

b. Power Supply : ☐ Installed ☐ Under Construction, ready year \_\_\_\_\_ ☐ None

c. Water Supply : ☐ Tap Water ☐ Borehole ☐ None

d. Transportation : ☐ Own Vehicle ☐ Public Transport ☐ Bicycle ☐ None

e. Communication Tools : ☐ Fixed Line ☐ Mobile Phone ☐ Fax ☐ E-mail ☐ Postal

f. Market Access : Land Transportation/Sea Transportation/Air Transportation

## Business Performance

1. Please explain the key success and challenge - marketing problems

a. Target market for your product: \_\_\_\_\_

b. Who are your Customers: \_\_\_\_\_

c. Why do they buy from you: \_\_\_\_\_

d. Who is your main competitor: \_\_\_\_\_

e. Sales Growth Potential:

f. Issues/Problems:

2. Profit and loss account in the 12 months

a. Sales

Product	Quantity	Unit Price	Sales
Total			

b. Expenditure

Items	Quantity	Unit Price	Total Cost
Total			

c. Profit and Loss

Product	Sales	Total Cost	Profit (Loss)
Total			

3. Assets

- a. Cash balance as of \_\_\_\_\_ : \_\_\_\_\_ Local Currency
- b. Account Receivables : \_\_\_\_\_ Local Currency
- c. Product Inventory : \_\_\_\_\_ Local Currency
- d. Fixed Asset : \_\_\_\_\_ Local Currency
- e. Total Asset : \_\_\_\_\_ Local Currency

4. Liabilities

- a. Amount : \_\_\_\_\_ Local Currency
- b. Main Sources : ☐ Family/Friend ☐ Supplier ☐ Government Fund/ Grant  
☐ Non-Bank Financial Institutions ☐ Bank

- 5. Capital : \_\_\_\_\_ Local Currency

**OVOP Project Information** (Specifically for Group/ SME who needs OVOP program's support)

1. Describe the condition and business development plan of the project, that needs OVOP program support
  - a. Background of the project/ business (describe briefly why and how you started the project/ business) \_\_\_\_\_

- b. Justification of the project/ business (describe briefly why the project is needed and how the project/ business fit to the concept OVOP) \_\_\_\_\_
- c. Target Beneficiaries (Describe your target beneficiaries) \_\_\_\_\_
- d. Project/ Business Objective (Describe objective which the project/ business is expected to achieve in the project) \_\_\_\_\_
- e. Project/ Business Activities (Describe your current main activity) \_\_\_\_\_
- f. Business Plan (describe your future business plan which could be achieved with the support) \_\_\_\_\_

2. Type of Needed Support

No	Type/ Item of Supports	Estimated Cost	Owner's Contribution	Benefit
Total				

3. Justification of Support (describe why you need support from OVOP)

\_\_\_\_\_

4. OVOP support is expected to be able to increase your business performance:

a. Sales and Profit in the Next 12 Months

(i) Sales Information

Product	Quantity	Unit Price	Sales
Total			

(ii) Expenditure Information

Items	Quantity	Unit Price	Total Cost
Total			

(iii) Profit and Loss Information

Product	Sales	Total Cost	Profit (Loss)
Total			

b. Increase in the number of labor force : \_\_\_\_\_

c. Expansion of product market : \_\_\_\_\_

d. Production efficiency : \_\_\_\_\_

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Signature of Representation of the Group/ SME Company

Name

Signature

\_\_\_\_\_

\_\_\_\_\_

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**Comments of District OVOP Committee**

Product Category: \_\_\_\_\_ Industry Code: \_\_\_\_\_

Compliance with OVOP Concept: ☐ Comply ☐ Need adjustments \_\_\_\_\_ ☐ Non-compliance

Strong Points : \_\_\_\_\_

Weak Points : \_\_\_\_\_

Adjustments of Type and Amount of Needed OVOP Assistance: \_\_\_\_\_

Recommendation : ☐ Feasible to be supported by OVOP program

☐ Not yet feasible to be supported by OVOP program

☐ Registered as OVOP participant, do not ask for support from OVOP program

Name of Officer: \_\_\_\_\_

Signature : \_\_\_\_\_

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**Comments of OVOP National Secretariat**

Company Register Number: \_\_\_\_\_ Date: \_\_\_\_\_

Product Register Number : \_\_\_\_\_ Date: \_\_\_\_\_

Rating Score : \_\_\_\_\_ Category: \_\_\_\_ star Date: \_\_\_\_\_  
Follow Up Notes : \_\_\_\_\_  
Name of Officer : \_\_\_\_\_  
Signature : \_\_\_\_\_

**Notes:**

- \* Please attach the copy of certificate or license of your company
- \*\* Please attach photos or videos of your products and services

## Appendix 2. Form of OVOP Program Selection

Screening Form of OVOP Program					
Form Number:		Date of Receive:		Officer Name:	
<b>I</b>	<b>Evaluation Process</b>				
I.1	Product Name				
I.2	Product Code				
I.3	Product Category				
I.4	Date of Field Observation				
I.5	Name of Inspector				
<b>II</b>	<b>Group / SME Company / OVOP Producer Identity</b>				
II.1	Group Name/ SME Company Name				
II.2	Business Address				
II.3	Village:	Sub-District:			
II.4	District:	Province:			
II.5	Total Membership / Employee (for SME)	Person/s; in details:			
		Men	Woman	Youth	Disability
II.6	Name of Contact Person				
II.7	Phone:	Fax:		E-mail:	
II.8	Registration Certificate	Kind & Certificate Number		Issued Agency:	
<b>III</b>	<b>Evaluation Aspects</b>				
<b>A</b>	<b>THE UNIQUENESS AND LOCAL WISDOM OF A PRODUCT</b>				
<b>A.1</b>	<b>PRODUCT HISTORY</b>				<b>10 points</b>
A.1.1	<b>The History of the Product / Service</b>				<b>3 points</b>
	<input type="checkbox"/> Posses product history, but not documented				1 point
	<input type="checkbox"/> Posses product history and documented				2 points
	<input type="checkbox"/> Posses product history and documented and published				3 points
A.1.2	<b>Local Wisdom</b>				<b>4 points</b>
	<input type="checkbox"/> Adopting from others and not developed further (imitate)				1 point
	<input type="checkbox"/> Adopting from others and developed further (modified)				2 points
	<input type="checkbox"/> Original local wisdom and developed further innovatively				4 points
A.1.3	<b>Product Design</b>				<b>3 points</b>
	<input type="checkbox"/> Product design, characteristic, and component are simple and still need improvement				1 point
	<input type="checkbox"/> Product design and characteristic are quite good, and still need improvement in some parts				2 points
	<input type="checkbox"/> Product design and characteristic are correct and complete, the components are matched as a whole, and refer to local/national cultural wealth				3 points

<b>A.2</b>	<b>PRODUCT QUALITY AND SPECIFICATION</b>	<b>10 points</b>
A.2.1	<b>Product Standard</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Have company standard and comply with company standard</li> <li><input type="checkbox"/> Have company standard and comply with national standard</li> <li><input type="checkbox"/> Have company standard and comply with international standard</li> </ul>	<b>3 points</b> 1 points 2 points 3 points
A.2.2	<b>Product Specification in Accordance with the Function and Easy to Use</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Not yet meet the qualified product specification requirements</li> <li><input type="checkbox"/> Meet the qualified product specification requirements, but still modest</li> <li><input type="checkbox"/> Meet the qualified product specification requirements completely and user friendly</li> </ul>	<b>2 points</b> 0 point 1 point 2 points
A.2.3	<b>Products Packaging and Labelling</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Does not have label</li> <li><input type="checkbox"/> Modest or simple packaging and labeling</li> <li><input type="checkbox"/> Interesting packaging and labeling, in accordance to the label provision</li> <li><input type="checkbox"/> Interesting packaging and labeling, in accordance to the label provision completed with information: how to use or contents or product specifications</li> </ul>	<b>3 points</b> 0 point 1 point 2 point 3 point
A.2.4	<b>Quality Management System Certification</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> None</li> <li><input type="checkbox"/> Certified (such as: HACCP, ISO-9000, 14.000, 22.000)</li> </ul>	<b>2 points</b> 0 point 2 points
<b>A.3</b>	<b>SAFETY AND HEALTH STANDARD</b>	<b>10 points</b>
A.3.1	<b>Safety Standard Fulfilment</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Does not meet the safety and health standard</li> <li><input type="checkbox"/> Meet the safety and health standard according to product categories in local Market</li> <li><input type="checkbox"/> Meet the safety and health standard according to test results from legal institutions</li> </ul>	<b>10 points</b> 0 point 5 points 10 points
	<b>TOTAL POINTS A</b>	Points

<b>B</b>	<b>CONTINUOUS AND CONSISTENT PRODUCTION</b>	
<b>B.1</b>	<b>BUSINESS MANAGEMENT</b>	<b>15 points</b>
B.1.1	<b>Organization</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> No organization structure</li> <li><input type="checkbox"/> Has organization structure without clear division of tasks</li> <li><input type="checkbox"/> Has organization structure with clear division of tasks</li> <li><input type="checkbox"/> Has an effective organization structure with clear division of tasks</li> </ul>	<b>3 points</b> 0 point 1 point 2 points 3 points
B.1.2	<b>Business Plan</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Has simple written business plan</li> <li><input type="checkbox"/> Has good business plan (specific, measurement, attainable, realistic, time line)</li> <li><input type="checkbox"/> Has good business plan and effective team to implement</li> </ul>	<b>3 points</b> 1 point 2 points 3 points



B.1.3	<b>Professional Availability</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Fully managed by The Owner, with assistance of professionals in the Managerial / administration aspects</li> <li><input type="checkbox"/> Managed by professionals and the owner simultaneously</li> <li><input type="checkbox"/> Effectively managed by professionals, and the owner only acts as the supervisor</li> </ul>	<b>3 points</b> 1 point 2 point 3 points
B.1.4	<b>Governance System</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Does not have written SOP, but staffs understand their job and task procedures</li> <li><input type="checkbox"/> Has written SOP and staffs carry it out effectively</li> <li><input type="checkbox"/> Has written SOP, carried out effectively, and applying performance-based evaluation</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
B.1.5	<b>Bookkeeping</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Does not have business bookkeeping</li> <li><input type="checkbox"/> Has simple bookkeeping</li> <li><input type="checkbox"/> Has bookkeeping that meets accounting standard</li> <li><input type="checkbox"/> Has bookkeeping that meet accounting standard and audited by public accountant with unqualified opinion</li> </ul>	<b>3 points</b> 0 point 1 point 2 points 3 points

<b>B.2</b>	<b>PRODUCTION PROCESS</b>	<b>15 points</b>
B.2.1	<b>Production / Technology and Equipments</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Manual production tools / equipment</li> <li><input type="checkbox"/> Production tools using semi-automatic machines</li> <li><input type="checkbox"/> Modern production tools / equipment</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
B.2.2	<b>Production Added Value Ratio (Production Value/Raw Materials Value)</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Production added value ratio between 100% - 125%</li> <li><input type="checkbox"/> Production added value ratio between 126% - 200%</li> <li><input type="checkbox"/> Production added value ratio is above 200%</li> </ul>	<b>3 points</b> 1 Point 2 points 3 points
B.2.3	<b>Production Stability</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Production is only carried out based on order (not continuous)</li> <li><input type="checkbox"/> Production is carried out to fulfill the market, the amount of production sharply fluctuate between seasons</li> <li><input type="checkbox"/> Production is carried out to fulfill the market with stable monthly production pattern</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
B.2.4	<b>Production Capacity</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> no improvement in production capacity, with the amount of production more than 60% of attached capacity</li> <li><input type="checkbox"/> Increase in annual production capacity is under 25%</li> <li><input type="checkbox"/> Increase in annual production capacity is over 25%</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
B.2.5	<b>Environmental Impact</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Production pollutes environment and has no effort to reduce the pollution</li> <li><input type="checkbox"/> Production affects the environment, but under control</li> <li><input type="checkbox"/> Production has no effect to the environment, and waste management is managed well</li> </ul>	<b>3 points</b> 0 Point 1 point 3 points

<b>B.3</b>	<b>MARKETING</b>	<b>15 points</b>
B.3.1	<b>Costumers</b> <input type="checkbox"/> Has regular costumers, with irregular purchasing pattern <input type="checkbox"/> Has regular and new costumers, with increasing purchasing pattern	<b>2 points</b> 1 points 2 points
B.3.2	<b>Marketing Area</b> <input type="checkbox"/> Main marketing area is only in one district/city <input type="checkbox"/> Main marketing area is cross-district/city in one province <input type="checkbox"/> Main marketing area is cross-province (national) <input type="checkbox"/> Main marketing area is international market (export)	<b>4 points</b> 1 point 2 points 3 points 4 points
B.3.3	<b>Brand</b> <input type="checkbox"/> Has strong brand in the local level, but not yet known by the surrounding areas <input type="checkbox"/> Has strong brand in the province level and registered officially	<b>2 point</b> 1 points 2 points
B.3.4	<b>Product Distribution</b> <input type="checkbox"/> Marketing through agent/distributor and promotion using conventional method <input type="checkbox"/> Marketing is done with various distribution channels and promotion is carried out effectively and massively, including utilizing virtual and mass media	<b>2 points</b> 1 points 2 points
B.3.5	<b>Increase in Sales Rate Compared to Sales at Previous Year</b> <input type="checkbox"/> Sales increasing is under 25% <input type="checkbox"/> Sales increasing is over 25%	<b>2 points</b> 1 point 2 points
B.3.6	<b>Ability to Compete in the Market</b> <input type="checkbox"/> Able to compete in the local market <input type="checkbox"/> Able to compete and penetrate new market in another region <input type="checkbox"/> Able to compete in the national and export market	<b>3 points</b> 1 point 2 points 3 points
<b>B.4</b>	<b>FINANCIAL CAPABILITY</b>	<b>15 points</b>
B.4.1	<b>Ability to Generate Profit (Ratio Profit to Sales)</b> <input type="checkbox"/> Profit margin is less than 25% <input type="checkbox"/> Profit margin is between 25% - 50% <input type="checkbox"/> Profit margin is more than 50%	<b>3 points</b> 1 point 2 points 3 points
B.4.2	<b>Business Liquidity</b> <input type="checkbox"/> The amount of current assets (treasury +trust + inventory)> business debt <input type="checkbox"/> The amount of treasury and trust > business debt <input type="checkbox"/> The amount of treasury > business debt	<b>3 points</b> 1 point 2 points 3 points
B.4.3	<b>Financial Performance</b> Financial performance can be measured with: 1. The Ratio Profit to Asset Increased in The Past Two Years 2. The Ratio Cash Flow from Profit to Current Liability Increased in the Past Two Years 3. Capital Ratio to Asset Increased in the Past Two Years 4. Sales Ratio to Total Assets Increased in the Past Two Years <input type="checkbox"/> Fulfil performance 1 ratio above <input type="checkbox"/> Fulfil performance two-three ratio above <input type="checkbox"/> Fulfil performance 4 ratio above	<b>3 points</b>       1 Point 2 points 3 points

B.4.4	<b>Ability to Finance Business Development</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Has business asset growth funded by owner's capital</li> <li><input type="checkbox"/> Has business asset growth funded by owner's capital and loans</li> <li><input type="checkbox"/> Has business asset growth funded by business profit and loans</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
B.4.5	<b>Access to Finance Institutions</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Main source of loans is supplier/individual/government's grant</li> <li><input type="checkbox"/> Main source of loans is non-bank financial institutions</li> <li><input type="checkbox"/> Main source of loans is banking</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
	<b>TOTAL POINTS B</b>	Points

<b>C</b>	<b>COMMUNITY EMPOWERMENT</b>	
<b>C.1</b>	<b>COMMUNITY DEVELOPMENT</b>	<b>10 points</b>
C.1.1	<b>Role in the Entrepreneur Groups/Associations</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Not a member of entrepreneur groups/associations</li> <li><input type="checkbox"/> Member of entrepreneur groups/associations</li> <li><input type="checkbox"/> Manager of entrepreneur groups/associations</li> </ul>	<b>2 points</b> 0 point 1 points 2 points
C.1.2	<b>Community Activity Role</b> Community's participation can be measured with: <ul style="list-style-type: none"> <li>a. Absorbing labor force from local community</li> <li>b. Distributing some of the profit for the local community activities (CSR)</li> <li>c. Receiving input from community</li> </ul> <ul style="list-style-type: none"> <li><input type="checkbox"/> Participate in 1 of the factors above</li> <li><input type="checkbox"/> Participate in 2 of the factors above</li> <li><input type="checkbox"/> Participate in 3 of the factors above</li> </ul>	<b>3 points</b>    1 point 2 points 3 points
C.2.1	<b>Main Raw Material Sources</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Local raw materials are less than 50%</li> <li><input type="checkbox"/> Local raw materials are more than 50%</li> </ul>	<b>2 points</b> 1 point 2 points
C.2.2	<b>Main Labor Sources</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> The source of local labor is less than 50%</li> <li><input type="checkbox"/> The source of local labor is between 50% - 80%</li> <li><input type="checkbox"/> The source of local labor is more than 80%</li> </ul>	<b>3 points</b> 1 point 2 points 3 points
	<b>TOTAL POINTS C</b>	Points

<b>D</b>	<b>POTENTIAL FOR IMPROVED QUALITY, STANDARD AND BUSINESS CAPACITY FROM OVOP SUPPORT PROGRAM</b>	
<b>D.1</b>	<b>STANDARD QUALITY IMPROVEMENT</b>	<b>7 points</b>
D.1.1	<b>OVOP Program has potential to create more products innovation and creativity</b> <ul style="list-style-type: none"> <li><input type="checkbox"/> Increase in standard quality of the product</li> <li><input type="checkbox"/> Increase in standard quality of the product differentiation</li> <li><input type="checkbox"/> Increase in standard quality of the product and new product diversification</li> </ul>	<b>2 points</b> 1 point 2 points 3 points

D.1.2	<b>OVOP Program has potential to improve the standard quality management system</b> <input type="checkbox"/> Increase entrepreneur / employee competency <input type="checkbox"/> Increase entrepreneur and employee competency, business management and quality management	2 points 1 point 2 points
D.1.3	<b>OVOP Program has potential to improve their business efficiency and appropriate technology</b> <input type="checkbox"/> The ratio of operational cost to sales decrease less than $\leq 20\%$ <input type="checkbox"/> The ratio of operational cost to sales above 20%	2 points 1 point 2 points
<b>D.2</b>	<b>BUSINESS CAPACITY IMPROVEMENT</b>	<b>6 points</b>
D.2.1	<b>OVOP Program has potential to increase local source process</b> <input type="checkbox"/> Increase number of local labors <input type="checkbox"/> Increase number of entrepreneurs, local labor, and local raw materials	2 points 1 point 2 points
D.2.2	<b>OVOP Program has potential to increase the production capacity</b> <input type="checkbox"/> Increase in product on capacity less than 25% <input type="checkbox"/> Increase in production capacity above 25%	2 points 1 point 2 points
D.2.3	<b>OVOP Program has potential to improve the financial performance</b>	<b>2 points</b>
	<input type="checkbox"/> Improve the liquidity level and business profit less than 25%	1 points
	<input type="checkbox"/> Improve the profit above 25%, business liquidity and receive financial access	2 points
<b>D.3</b>	<b>MARKET IMPROVEMENT</b>	<b>6 points</b>
D.3.1	<b>OVOP Program has potential to improve their product brand image</b> <input type="checkbox"/> Branding and product packaging <input type="checkbox"/> Branding, packaging, and product labeling based on criteria <input type="checkbox"/> Registered brand, packaging, and labeling based on industrial standard	3 points 1 point 2 points 3 points
D.3.2	<b>OVOP Program has potential market share</b> <input type="checkbox"/> Improve market share in existing market <input type="checkbox"/> Improve in sales in existing and new market area <input type="checkbox"/> Improve in sales on export market	3 points 1 point 2 points 3 points
<b>D.4</b>	<b>COMMUNITY EMPOWERMENT</b>	<b>6 points</b>
D.4.1	<b>Participation to Work in Community / Association</b>	<b>3 points</b>
	<input type="checkbox"/> OVOP strengthening encourage the participants to be a member of business community / cooperative	1 point
	<input type="checkbox"/> OVOP strengthening encourage the participants to be the committee of business community / cooperative	2 points
	<input type="checkbox"/> OVOP strengthening encourage the participants to form a joint community Business	3 points
D.4.2	<b>Participation in rural development</b>	<b>3 points</b>
	<input type="checkbox"/> Improving village economy, local raw material, economy activity, etc	1 point
	<input type="checkbox"/> Give contribution to develop the village, such as: village funding, road reparation and village facilities and village economy.	2 points
	<input type="checkbox"/> Become a patron of the village and as a show case of success to encourage the development of similar business in the village	3 points
<b>TOTAL POINTS D</b>		<b>Points</b>

Evaluation Aspects		Total Points
I	<b>BUSINESS CAPABILITY</b>	
	A. The Uniqueness And Local Wisdom Of A Product	
	B. The Continuous And Consistent Production	
	C. Community Empowerment	
	<b>TOTAL POINTS</b>	
II	<b>IMPROVE BUSINESS CAPABILITY FROM OVOP PROGRAM</b>	
	<b>TOTAL POINTS</b>	

Summary of feedback from OVOP District:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ Name Head of OVOP District Secretariat \_\_\_\_\_

#### OVOP PROVINCE / NATIONAL SECRETARIAT REVIEW

Summary of feedback and recommendation from Province / National Secretariat:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Signature \_\_\_\_\_ Name Head of OVOP Secretariat \_\_\_\_\_

### Appendix 3. Letter of Endorsement Focal Point ASEAN SME Working Group

*Misle Bin Haji Abd. Karim*  
(Assistant District Officer, Brunei & Muara District Office, Brunei Darussalam)



#### **LETTER OF ENDORSEMENT**

BRUNEI DARUSSALAM  
On behalf of the ~~MISLE BIN HAJI ABD. KARIM~~ (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

#### **An ASEAN Guidelines on Improvement Rural Living Condition Through One Village One Product (OVOP) Movement**

YOGYAKARTA (place), 14 MAC 2014 (date)

 (signature)

MISLE BIN HAJI ABD. KARIM (name)

Focal Point of ASEAN SME Working Group

BRUNEI DARUSSALAM (name of ASEAN Member State)

**Layhy Chhea**  
(Chief of Office, Ministry of Industry and Handicraft, Cambodia)



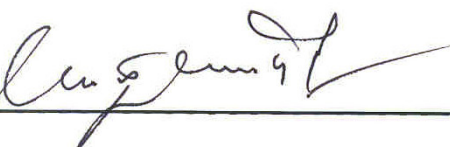
## **LETTER OF ENDORSEMENT**

On behalf of the Cambodia (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

Yogyakarta, Indonesia (place), 14 March 2014 (date)

 (signature)

chhea Layhy (name)

Focal Point of ASEAN SME Working Group

Cambodia (name of ASEAN Member State)



*Meliadi Sembiring  
(Deputy Minister of Research and Development,  
Ministry of Cooperative and SME, Republic of Indonesia)*



## **LETTER OF ENDORSEMENT**

On behalf of Ministry of Cooperatives and SMEs,  
I herewith stated the full endorsement of the foundation of

### ***An ASEAN Guidelines On Improvement Rural Living Condition Through One Vilage One Product (OVOP) Movement***

Yogyakarta, March 14, 2014

A handwritten signature in blue ink, appearing to read 'Meliadi Sembiring', is written over a faint circular stamp.

**Meliadi Sembiring**  
Deputy Minister of SME Research and Development  
Ministry of Cooperative and SME  
Republic of Indonesia

*I Wayan Dipta*  
*(Deputy Minister of Production,*  
*Ministry of Cooperative and SME, Republic of Indonesia)*



## **LETTER OF ENDORSEMENT**

On behalf of Ministry of Cooperatives and SMEs,  
I herewith stated the full endorsement of the foundation of

### ***An ASEAN Guidelines On Improvement Rural Living Condition Through One Village One Product (OVOP) Movement***

Jakarta, March 14, 2014

A handwritten signature in dark ink, appearing to read "I Wayan Dipta", is positioned above the printed name.

**I Wayan Dipta**  
Project Proponent

**Sengphachanh Simangkhala**  
(Director of Division, Ministry of Industry and Commerce, Lao PDR)



## **LETTER OF ENDORSEMENT**

On behalf of the Laos (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

\_\_\_\_\_ (place), 14 / 03 / 2014 (date)

 (signature)

Sengphachanh Simangkhala (name)

Focal Point of ASEAN SME Working Group

Laos (name of ASEAN Member State)

*Hon. Dato' Seri Ab. Ghani bin Ariffin*  
*(Deputy Director General, Implementation Coordination Unit (ICU), Malaysia)*



## **LETTER OF ENDORSEMENT**

On behalf of the \_\_\_\_\_ (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

\_\_\_\_\_, (place), \_\_\_\_\_ (date)

\_\_\_\_\_  
\_\_\_\_\_ (signature)

\_\_\_\_\_ (name)

Focal Point of ASEAN SME Working Group

\_\_\_\_\_ (name of ASEAN Member State)

*Ei Shwesin Htun*  
(Assistant Director, Ministry of Industries, Myanmar)



## **LETTER OF ENDORSEMENT**

On behalf of the Myanmar (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

Yogyakarta (place), 14.8.2014 (date)

Ei Sh (signature)

Dr Ei Shwesin Htun (name)

Focal Point of ASEAN SME Working Group

Myanmar (name of ASEAN Member State)

**Elvira Tan**  
(Division Chief, Bureau of Micro Small and Medium Enterprise Development, Philippines)



## LETTER OF ENDORSEMENT

On behalf of the PHILIPPINES (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

YOGYAKARTA (place), 14 MARCH 2014 (date)

 (signature)

ELVIRA P TAN (name)

Focal Point of ASEAN SME Working Group

PHILIPPINES (name of ASEAN Member State)



**Vu Xuan Thuyen**  
**(Deputy Director General, Ministry of Planning and Investment of Vietnam)**



## **LETTER OF ENDORSEMENT**

On behalf of the Vietnam (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

YOGYAKARTA (place), 14<sup>th</sup> March 14 (date)

[Signature] (signature)

VU XUAN THUYEN (name)

Focal Point of ASEAN SME Working Group

Vietnam (name of ASEAN Member State)

## Appendix 4. Letter of Endorsement Focal Point of OVOP

**Haji Mohd. Aziman Haji Tengah**  
(Special Duties Officer Grade II, Ministry of Home Affairs, Brunei Darussalam)




### LETTER OF ENDORSEMENT

On behalf of the BRUNEI DARUSSALAM (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

YOKYAKARTA (place), 14/03/2014 (date)

 (signature)

Haji MD AZIMAN BIN HAJI TENGAH (name)

Focal Point of OVOP

BRUNEI DARUSSALAM (name of ASEAN Member State)





## **LETTER OF ENDORSEMENT**

On behalf of the CAMBODIA (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

Yogyakarta (place), March 14, 2014 (date)

 (signature)

KAO MUY THANG (name)

Focal Point of OVOP

CAMBODIA (name of ASEAN Member State)

**Hon. Dato' Seri Ab. Ghani bin Ariffin**  
**(Deputy Director General, Implementation Coordination Unit (ICU), Malaysia)**



## **LETTER OF ENDORSEMENT**

On behalf of the MALAYSIA (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

YOGYAKARTA (place), 14 MARCH 2014 (date)

[Signature] (signature)

AB. GHANI BIN ARIFFIN (name)

Focal Point of OVOP

(name of ASEAN Member State)



## **LETTER OF ENDORSEMENT**

On behalf of the Myanmar (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

Mawlamyine (place), 14-3-2014 (date)

[Signature] (signature)

Aung Naing Oo (name)

Focal Point of OVOP

Myanmar (name of ASEAN Member State)

**Ton Gia Hoa**  
*(Vice President, Vietnam Association of crafts villages, Vietnam)*



## **LETTER OF ENDORSEMENT**

On behalf of the VIETNAM (name of the ASEAN Member State),

I herewith stated the full endorsement of the foundation of

***An ASEAN Guidelines on  
Improvement Rural Living Condition Through  
One Village One Product (OVOP) Movement***

Yogyakarta (place), 14/03/2014 (date)

 (signature)

TON GIA HOA (name)

Focal Point of OVOP

VIETNAM (name of ASEAN Member State)

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