

GUIDELINES

MSME DEVELOPMENT

MICRO, SMALL & MEDIUM ENTERPRISES
DEVELOPMENT



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INTRODUCTION



HRD Corp will implement Program Latihan MADANI, which includes upskilling and reskilling of Micro, Small & Medium Enterprises (MSME) and vulnerable communities such as current and former inmates, people with disabilities (PWDs), senior citizens, and retirees.”



- Yang Amat Berhormat Dato' Seri Anwar bin Ibrahim, Prime Minister and Minister of Finance, in his 2024 budget speech.

As the custodian of Malaysia's human capital development efforts, HRD Corp is honoured to be entrusted by the YAB Prime Minister to implement Program Latihan MADANI, a programme geared at democratising access to learning and development for micro-SMEs and communities in need.

This is in line with our aspiration to support all Malaysians in strengthening essential skills, broaden critical knowledge and build an inclusive and cohesive MADANI society.

PROGRAM LATIHAN MADANI

Key Objectives

Empower underserved communities and foster the growth of Micro, Small and Medium Enterprises (MSMEs) by providing them with essential skills, resources, and support.

Scope

PLM initiatives will focus on:



Enhancing employment opportunities



Providing income generation opportunities



Upskilling and reskilling

CALL FOR PROPOSAL (CFP)

Announcement

The CFP for PLM will be announced through HRD Corp's official website: www.hrdcorp.gov.my

Objective

The objective of the CFP is to inform potential stakeholders about the implementation process of the PLM initiatives.

Interested stakeholders **MUST** follow the CFP guidelines before submitting any proposal for the respective initiatives.

2. INITIATIVE OVERVIEW

MICRO, SMALL & MEDIUM ENTERPRISES DEVELOPMENT (MSME)

2.1 GOALS AND OBJECTIVES

MSME is an initiative designed to empower micro, small, and medium enterprises (MSME) to enhance workforce sustainability, reduce turnover rates and increase business resiliency by providing learning and development opportunities for their employees. This is important as we strive to improve the competitiveness of Malaysia's micro-SMEs in the global market.

The initiative will provide upskilling and reskilling programmes for employees of micro-SMEs that will also help them in progressing in their employment or careers within these micro-SMEs.

The key objectives of the MSME initiative are as follows:

- a. Equip employees of MSMEs with valuable skills and training that improve their job performance, productivity, and adaptability in a rapidly changing business landscape.
- b. Produce more skilled workers for the industries that can help businesses and industry players remain competitive and dynamic in the global market.
- c. Strengthen the overall sustainability of MSMEs by reducing turnover leading to a more stable and committed workforce.

2.2 TARGET AUDIENCE

- a. Employees working within Malaysia's micro, small and medium enterprises. MSME employers should meet the official MSME definition and be subject to any latest amendment and/or expansion of the PSMB Act 2001.
- b. Aged between 18-60 years old.
Note: To ensure that more MSMEs benefit from this initiative, each MSME employer is limited to training a maximum of five (5) employees.

The definition of micro-SMEs are as follows:

SECTOR	NO OF EMPLOYEES
(i) Manufacturing	Full-time employees not exceeding 200 employees
(ii) Services and Other Sectors	Full-time employees not exceeding 75 employees

2.3 **EXPECTED OUTCOMES**

Training course should achieve the following for its participants, upon completion:

- a. Successful completion of upskilling or reskilling training courses for employees of micro-SMEs.

As a Training Provider (TP), you should ensure that training courses included in your proposal can achieve the intended outcomes of this initiative.

2.4 **COURSE DURATION AND TIMELINE**

2.4.1 The duration of the training course shall be:

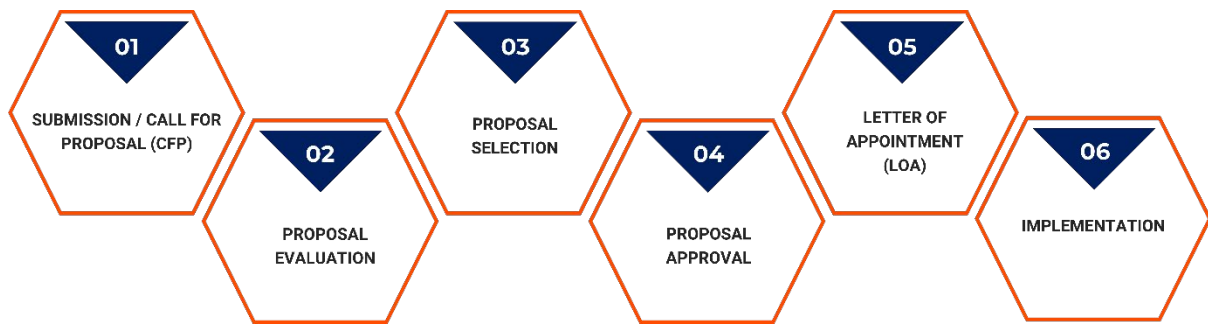
- a. minimum of three (3) days (24 hours*) *8 hours per day
- b. maximum of three (3) months

2.4.2 All approved training courses MUST commence and be completed within six (6) months from the date of the Letter of Appointment (LOA).

3. PROPOSAL SUBMISSION

3.1 **IMPLEMENTATION PROCESS**

The overall PLM implementation process is outlined below. TPs can log in to the official portal to track their current application status based on the steps below:



3.2 SUBMISSION PLATFORM

- a. Proposals **MUST** be submitted through the official online portal: www.hrdcorp.gov.my/plm.

Important Note: Upon clicking on the **'Submit Your Proposal'** button, you will be redirected to the **Upskill Malaysia** portal where you will receive further instructions on how to submit your proposal and upload the corresponding documents accordingly.

- b. **ONLY** submissions made through the official online portal will be accepted. HRD Corp **WILL NOT** entertain or consider proposals submitted through other means or channels.
- c. All proposals must be submitted by TPs directly to HRD Corp. HRD Corp does not appoint any agent to submit or receive proposals for PLM.
- d. TPs must read and agree to the terms and conditions of PLM before submitting their proposal.
- e. TPs should use their e-TRiS credentials to log in and submit their proposals.
- f. No additional registration is required for the submission process.

3.3 MANDATORY CRITERIA

- a. All TPs **MUST** be registered with HRD Corp for a period of **at least six (6) months** during submission. TPs should also have an active and **valid registration** at the point of submission.
- b. The training courses **MUST be aligned with the intended outcomes** of the initiative.
- c. The proposed trainer **MUST be Train-the-Trainer (TTT) certified/exempted** and **MUST be registered in the HRD Corp Trainer Development Management System (TDMS)**.
- d. All TPs will be limited to **ONE (1)** proposal approval under PLM. TPs with similar **Directors/ Shareholders** are strictly prohibited from submitting multiple proposals through different entities.
- e. TPs **SHALL** provide **primary and secondary contact** details specifically for PLM.
- f. TPs should not have any ongoing legal issues or be on the HRD Corp suspended list at the point of submission.

3.4 ELIGIBILITY CRITERIA AND REQUIREMENTS

- a. TPs can **ONLY submit a maximum of two (2) proposals** across all PLM initiatives at any given time. However, TPs may submit new proposals or resubmit their earlier proposals, upon successfully completing their previously approved training course(s).
- b. Training courses can be delivered through the following methods:
 - i. Face-to-face/classroom training
 - ii. Remote Online Training (ROT)/ virtual training
- c. The maximum number of participants per class is as follows:
 - i. Technical: 25 participants
(Technical training is about gaining specific job-related skills and knowledge through practical, hands-on experiences in an industry or field.)

- ii. Non-technical: 30 participants
(Non-technical training involves the development of essential skills or soft skills, such as communication, teamwork, and leadership.)
- d. Training courses can be scaled up to include more participants as needed, provided it follows the following:
 - i. **1:25 trainer to participant ratio** for technical courses and
 - ii. **1:30 trainer to participant ratio** for non-technical courses.

However, please note that the maximum number of participants allowed is **50 for each technical course** and **60 for each non-technical course**.

Example 1: Technical Courses	Example 2: Non-Technical Courses
<ul style="list-style-type: none"> - 1 Trainer for 25 Participants - 2 Trainers for 50 Participants 	<ul style="list-style-type: none"> - 1 Trainer for 30 Participants - 2 Trainers for 60 Participants

- e. Participants may enrol in a maximum of **two (2) PLM training courses** within a single calendar year.
- f. Course fees should be within the prescribed allowable limit below:

TYPE OF COURSES	AVERAGE ALLOWABLE COURSE FEE
Non-certification courses <i>(Certificate of attendance by TP)</i>	RM5,000/ participant
Certification courses <i>(Professional Certification by a recognised institution)</i>	RM5,000/ participant <i>* with price justification</i>

3.5 PROPOSAL FORMAT AND STRUCTURE

All interested TPs must follow the following format and structure when submitting their proposal through the official online portal:

FOCUS AREAS	DETAILS
Part 1: TP details	<ol style="list-style-type: none"> 1. Primary contact <ul style="list-style-type: none"> • Name • Mobile Number • Email Address 2. Secondary contact <ul style="list-style-type: none"> • Name • Mobile Number • Email Address 3. Past training records (as attachment)
Part 2: Training Course Details	<ol style="list-style-type: none"> 1. Course Title 2. Course Overview 3. Skill Areas (max 3) 4. Target Group 5. Course Modules 6. Type of course: Technical/Non-Technical 7. Certification body (if Applicable) 8. Training Methodology (Face to Face or ROT) 9. Duration: 8 hours in a day <i>(including lunch hour)</i> 10. Number of participants (trainees)
Part 3: Trainer's Details	<p>The trainers should be selected from the HRD Corp's Trainer Development Management System (TDMS).</p> <p>For non-Malaysian trainers, the profile must be attached with supporting documents for verification purposes.</p> <p>More info on TDMS: https://hrdcorp.gov.my/hrd-tdf</p>
Part 4: Outcome Details	Upskilling and Reskilling
	Proof of successful completion of training E.g.: Certificate of Attendance/ Completion/ Achievement

Part 5: Schedule of Prices	<ol style="list-style-type: none"> 1. Training materials (with more details) 2. Facilities and equipment (with more details) 3. Trainer fees 4. Trainer accommodation and logistics 5. Venue rental, food and beverages* <i>(*Note: max RM200/participant/day)</i> 6. Estimated profit margins <p>For Professional Certification:</p> <ol style="list-style-type: none"> 7. Examination fees (if applicable) 8. Professional certification fees (if applicable)
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3.6 SUPPORTING DOCUMENTS

All supporting documents should be in PDF format.

4. EVALUATION CRITERIA

4.1 EVALUATION PROCESS

The Evaluation Committee will evaluate and assess each proposal based on the following criteria:

- a. **Quality:** Alignment with the course objectives and industry needs.
- b. **Effectiveness:** Effectiveness of the proposed training objectives and outcomes.
- c. **Accuracy:** Clarity and completeness of the proposal.
- d. **Credibility:** Track record and expertise of the TP.
- e. **Price:** Cost-effectiveness and price justification.

4.2 QUERY RESOLUTION PROCESS

4.2.1 The evaluation officer may contact the TP's primary or secondary contact person to request additional information to complete the evaluation process.

4.2.2 TPs **MUST** revert to the query **within seven (7) working days**. Failure to comply with the deadline will result in an automatic rejection.

5. SELECTION PROCESS

5.1 FINAL REVIEW AND RECOMMENDATIONS

5.1.1 Proposal submission does not mean automatic approval.

5.1.2 The appointed Evaluation and Selection Committee will convene to discuss and review all proposals.

5.1.3 Successful and unsuccessful TPs will be notified promptly through their primary and secondary contact persons via the Upskill Malaysia portal.

5.1.4 The Committee's decision is final.

6. CONTRACTUAL OBLIGATIONS

6.1 All successful TP's will receive the Letter of Appointment (LOA) through the Upskill Malaysia portal.

6.2 The TPs **MUST** agree to the terms and conditions of the LOA and acknowledge their acceptance of the LOA through the Upskill Malaysia portal.

6.3 The LOA shall be valid for a term of **six (6) months from the date** of issuance. All trainings must be completed therein.

6.4 HRD Corp will not provide any extension to the time period.

- 6.5 The LOA shall be deemed legally binding and effective upon acceptance.
- 6.6 HRD Corp reserves the right to take legal action if the TP fails to comply with the terms and conditions prescribed in PLM and/ or outlined in the LOA.
- 6.7 At all material times, the TP shall be responsible for the acknowledgment and acceptance action on the Upskill Malaysia Portal. All acceptances will be deemed authorised by HRD Corp.

7. INITIATIVE DELIVERABLES/IMPLEMENTATION

Appointed TPs are **required to 'Create a Class'** via the official portal and **promote their courses** for Malaysians to enrol in.

7.1 GRANTS SUBMISSION

- 7.1.1 TPs must submit their grant applications through the official portal at least **ten (10) working days** before the commencement of the training. TPs are advised to carry out their submission in advance to ensure they receive the required approval before the training date commencement.
- 7.1.2 Any changes or cancellations to the approved training **MUST be notified in writing** to HRD Corp **at least three (3) working days** before the commencement date of the training. The training schedule must align with the total training days/hours approved by HRD Corp.
- 7.1.3 TPs can submit a maximum of three (3) grant applications within the LOA validity period to complete their approved quota. Transfer quota is strictly prohibited upon grants approval.

7.1.4 TPs are required to submit their grant applications through the Upskill Malaysia portal. The required documents are as follows:

REQUIRED DOCUMENTATION	UPSKILLING & RESKILLING
A copy of the trainee's MyKad (NRIC)	✓
MSME Application Form Available at HRD Corp official portal	✓
<ul style="list-style-type: none"> • MSME Status Certification / • Latest company EPF Contribution Statement from employer 	✓
<ul style="list-style-type: none"> • Latest pay slip of the employee / • Latest SSM Company's Profile with Director and Shareholder details 	✓
Employer's SSM registration certificate	✓
Invoice (30%)	✓

7.1.5 All supporting documents must be uploaded in PDF format through the official portal. TPs must keep the hard copy of the supporting documents as HRD Corp has the right to request the original documents for inspection purposes.

7.1.6 Once the training grant application has been approved, an email notification will be sent to the primary and secondary contact details. The approved amount for the course fees and any other allowable costs (if applicable) will be provided in the email.

7.1.7 HRD Corp will reimburse 30% of total financial assistance upon grants approval.

7.1.8 TPs are strictly prohibited from conducting the training before the grants approval.

7.1.9 Trainee replacement is NOT allowed after the commencement of the training. No claims can be made if the approved trainees withdraw from the second day of the training programme.

7.2 TRAINING EFFECTIVENESS EVALUATION (HRD-TEE)

HRD-TEE is a holistic approach to evaluating specific measures for courses that are divided into two (2) different evaluations (**Output and Outcome**) as outlined below:

7.2.1 **OUTPUT EVALUATION:**

- a. This output evaluation aims to assess immediate response and obtain the trainee's feedback on the course attended. This is a mandatory process that appointed TPs must adhere to.
- b. The TP/ trainer must ensure that all approved trainees under this course receive and complete the HRD Corp output evaluation on the last day of training via MyHRDCorp Super App.

7.2.2 **OUTCOME EVALUATION:**

- a. The purpose of outcome evaluation is to assess the actual understanding and application of knowledge after the training.
- b. Issued to trainees **six (6) months after** the training ends, it measures whether trainees have successfully achieved the initiative's objectives through key indicators or identified learning objectives.
- c. HRD Corp will send the evaluation link via email to all trainees. Trainees are encouraged to complete the outcome evaluation within the specified time.
- d. TPs or trainers must ensure that trainee details and contact details, especially email addresses from the course registration, are valid.

7.3 TRAINING VERIFICATION

- 7.3.1 Appointed TPs must ensure all trainees attend the classes as required and thoroughly monitor attendance.

- 7.3.2 HRD Corp may conduct verification visits to the training venue to inspect training course compliance, trainee attendance, and other related matters and documents needed. TPs must give their full cooperation to HRD Corp officers during the visit.
- 7.3.3 If a trainee is not present in the classroom during the inspection, the trainee's attendance form will be marked as absent. The marked trainee attendance form must be attached to the claims form during submission. Failure to provide the original trainee attendance and claim form will result in the claims being queried.
- 7.3.4 For Remote Online Training (ROT), verification will be conducted through the online platform. Therefore, the link to the online classes should be emailed to InspectorateGroup@hrdcorp.gov.my at least twenty-four (24) hours before the training commences.
- 7.3.5 HRD Corp Inspectorate Officers must be given the authority to do what is necessary for inspection purposes, including interviewing trainees and taking photographs and videos of the classes in session.
- 7.3.6 The verification report shall be uploaded by the Inspectorate Team via Upskill Malaysia within 48 hours of the completion of the inspection.

7.4 CLAIMS SUBMISSION

- 7.4.1 TPs must submit their claims via the Upskill Malaysia portal.
- 7.4.2 TPs should submit their claims within three (3) months of training completion.

- 7.4.3 70% of the claims will be reimbursed upon claims approval with 80% attendance of each trainee.
- 7.4.4 Payment shall not be made if the trainee(s) fails to attend at least 80% of the training, fails to be employed, and did not fulfil all other criteria. Financial assistance for the course and examination fees is provided on a one-off basis. The TP will bear all costs associated with any revision or re-examination attempts by the trainee(s).
- 7.4.5 HRD Corp reserves the right to demand a refund of the 30% payment paid or to set off the amount from the total 70% claims to be paid (if any) due to the non-fulfilment of the 80% attendance or withdrawal of trainees or any non-fulfilment of the 70% claims procedure.
- 7.4.6 The following documents are required for the 70% claims submission to HRD Corp:

UPSKILLING & RESKILLING

- ✓ Invoice (70%)
- ✓ Claim form (with training and trainee details)
- ✓ Original attendance form or system-generated attendance report.
- ✓ Professional certificate (if applicable)
- ✓ Evidence receipt payment of examination/certification slot/issuance of certificate/confirmation letter by the respective certifying body) if applicable.
- ✓ Any other additional documents required by the HRD Corp claim officer.
- ✓ Proof of training completion: Certificate of Attendance or Completion or Achievement

- 7.4.7 Course and examination fees (if any) will be paid directly to the appointed TP. The amount is subject to the approved claims.
- 7.4.8 Claims will be processed after receiving verification visit reports from the inspectorate officers and claims submissions from the TPs.
- 7.4.9 To avoid any deduction or rejection of the claim, TPs must ensure the training is conducted per the training schedule, the trainees' attendance is recorded for each training day, and compliance with HRD Corp's terms and conditions.
- 7.4.10 The claim will be queried if the details and supporting documents are incomplete. TPs must reply to the queries within **seven (7) working days**. Failure to do so will cause the claims approval to be delayed. Approved payment will be credited within **fourteen (14) working days** of receipt of complete documents.
- 7.4.11 Actions will be taken if the appointed TP provides false or misleading documents during the claims submission. HRD Corp reserves the right to request whole or partial repayment from the reimbursed payment.

8. AMENDMENTS

HRD Corp reserves the right to change, amend, or alter the guidelines from time to time to strengthen the implementation of the PLM. Any changes will be uploaded onto the HRD Corp official website.

9. CONCLUSION

The government, through the Ministry of Human Resources, has set ambitious goals of creating a 35% skilled workforce by 2030. To achieve this target, we must adopt a holistic and strategic approach to human capital development.

This means democratising access to learning and development opportunities for every segment of society and ensuring no one is left behind. As the custodian of Malaysian's human capital development aspirations, it is HRD Corp's prerogative to support Malaysia in achieving this aspiration.

The PLM is an instrumental programme in achieving this aim. These guidelines are necessary in ensuring the successful implementation of PLM for now and the future. Therefore, we seek the support and cooperation from all stakeholders and partners to comply with these guidelines and work with us to make a positive difference to Malaysia's micro-SMEs and underserved communities.