



Quarterly Bulletin Programs in Vietnam & Cambodia Period October-December 2010

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This report covers the most important and recent developments. For a global view see: <http://mekongplus.eu/lang-en/quarterly-bulletins>



Vietnam

Summary of the situation: *Thiện Chí* – www.thienchi.org (“Good will”) and Anh Dương – www.anhduonghq.org (“Sun ray”) are 2 Vietnamese NGOs set up by the Vietnamese team of Mekong Plus. Thiện Chí has taken over all programs in Bình Thuận and Anh Dương the programs in Hậu Giang. We contribute only part of their funding and they find the rest independently. We also provide technical support.

1.1 Savings-credit

Summary of the program: increasing access to credit with a reasonable interest rate was at the centre of our strategy until 2004. Since then access to bank loans has improved for almost everybody. It contains 3 programs: Women’s groups for saving and credit, micro-credit to extremely poor households, and micro-credit for small entrepreneurs who generate significant employment locally.

1.2 Agriculture

Summary of the program: all programs are located in agricultural regions and the peasants are eager to improve their techniques, obtain better seeds, etc. The government services do not fulfill the needs of all and government training is not easily understood by the poorest people. TC-AD set up farmers’ groups which are the best way to provide advice to the others as they have more credibility than outside agronomists. Technicians have been trained in each commune.

How to provide healthy and vaccinated chicks of good quality is a constant challenge in the remote villages. In some farms mortality can easily reach 100% in a few days. And as Mekong Plus tries to assist extremely poor households to develop chicken farms, one wants to reduce risks of failure as much as possible.

Mekong Plus thus contracts a few farmers to invest in an incubator, the cost of which is shared by Mekong Plus. This allows the farmers to supply quality chicks at a reduced price.

For a middle-class or rich farmer the investment is not big, but for Mister Tâm (shown right) it is a big step. The investment paid off because he has guaranteed customers: the extremely poor families that Mekong Plus tries to help. This program, with the incubator, provides him with an additional income of 20 € /month, making this a real win-win situation.

Miss Hồng and her husband used to survive with only a parcel of paddy and by raising pigs. Not enough to pay for the



education of their 2 boys. Nhung, the agronomist of Mekong Plus, encouraged them to try a small vegetable garden of 700m², taken from the paddy field. Very quickly, after just a month, the daily harvest generated a net income of 120 to 160 €/month.



With the paddy they could get just 40 € after 3 months, with only 2 harvests a year. The yield has thus increased tenfold! For Hồng and her husband, like for so many small farmers, regular income matters enormously and even daily cash is important. The couple is very happy and has volunteered to organize visits and demonstrations for other farmers. Their testimony carries a lot of weight, a lot more than that of our agronomist. Nhung knows this and encourages them to take the leading role.

Previously we had obtained, with the cashew planters of Dúc Phú, a fair trade certification. In agreement with the planters we have stopped pursuing that because of the high costs of working with the FLO (Fair trade Label Organization). The costs are disproportionate to the benefits, which are sometimes zero. The normal market price is often higher than the FLO price.

The vegetable gardens protected with nets are relatively successful. The nets protect the crop from the heavy rains, so that the garden can produce 12 months a year. The risks of diseases are less, so the farmers use less chemical fertilizers. The vegetables are cleaner and tastier and the customers acknowledge this readily, but not to the extent of paying a higher price. The supermarket of the closest town had shown interest, but today just offers the normal market price. So the farmers who sell cleaner and healthier vegetables must sell at the same price as any other farmer; however they can sell their products more quickly and before anyone else.

1.3 Program for the very poor

Summary of the program: Deep poverty (A per capita income of 6 euros/month or less) has declined from 30-40% to approximately 10% in our districts. *Thiên Chí* and Anh Dương prioritize the poorest 2-5%: scholarships, medical assistance, housing, and whenever possible, economic assistance. In every case help is provided only when the community participates.

Every month about 600 loans are repaid. For each case an in depth analysis is made of the profits for the borrower and a new investment is envisaged. We observe a yearly increase in incomes, with few rare failures (fewer than 3%). After 3-5 years, a very poor household who had to manage with about 2 €/week/person, has usually tripled its incomes and can continue without further direct economic assistance. After it has stopped receiving interest free loans from Mekong Plus, the team still visits them every six months to check that an accident has not jeopardized their economic achievements and thrown them back into poverty. In Tánh Linh for instance, at the end of December a detailed follow-up was done on 28 families who had left the

program for 14 months on average. Their incomes have continued to increase even after leaving the program.

1.4 Health

Summary of the program: The team does not provide curative services but prevention and training. Generally, the public services are good (vaccinations, anti-malaria programs, etc.) but often the information is insufficient. Thanks to the many groups who meet every week the program has a fantastic network to provide training and disseminate information. We make incentives available to help the people build latrines, wells, or to buy water filters, and we sell deworming tablets at cost. Mosquito nets are soaked with insecticide.

In primary schools, the team has trained the teachers in new pedagogy substituting practice, group work, and teeth brushing together on the school playground for top-down-learning.



*Training of the teachers first,
then the children*



level of the primary schools.

The inclusive education program is coordinated by Quyen (Đức Linh team): “One can say the program has reached a new level. We had 6 seminars with the parents of handicapped children, who all got fully involved. Their hopes are modest but considering these

The health program in the primary schools has functioned very well virtually without any support from us, financial or technical, for many years. It reaches almost 50,000 children, but also, indirectly, their families and the community as a whole! It expanded to the kindergartens this year, with an immediate result that 14,700 young children brush their teeth every week on the school playground. Much more than the

primary schools, the kindergartens lack basic necessities. Educational materials are created by the teachers themselves and most have no sanitary facilities or even water. Mekong Plus provides support, in conjunction with the parents and the community, to improve their facilities but it will take several years for them to reach the



children, these steps are so important. Helping a child pass the 5th grade or even finally managing to count to 10 is sometimes such a victory. Or this other child, blind, who before was left alone, but today he surprises all his friends with his outstanding memory!"

The teachers show extraordinary motivation: there is no special budget from the school for this program or for these children. The teachers work voluntarily and without any other assistance than what is provided by Mekong Plus. Quyen and her teams believe we have reached a limit. If we want to make further progress, some sort of compensation is necessary. It is unfair to demand a lot from the teachers if the communities and the State do not contribute more.

Quyen proposes that the villagers find a way to support the program. Mekong Plus would provide additional support to the teachers in proportion with the level of community participation, with the condition that the villagers would have joined in thousands. The additional support would go to the teachers to give them compensation for up to 50% of the official hourly rate: 0.4 €/hour for their overtime dedicated to the handicapped children. The other benefit would be to mobilize the communities better and raise their awareness in favor of the handicapped.

A meeting with the parents to explain about the special pedagogy and describe the work at school

Below:

Special classes and games. About 50% of the participants are handicapped children. This little girl helps one child with special difficulties.



1.5 Education

Summary of the program: since 2002 two scholarships of 8 euros/year are given to very poor families. They have committed themselves not to drop out from school. Computer training centers have been equipped with second hand computers, which allow the students to improve their qualifications and hopefully reach universities.

1.6 Employment

Summary of the program: agricultural prices rise and fall without warning and the farmers who cannot diversify their production and sources of income lose out. To help them, our team promotes handicrafts. Temporary jobs are also created by repairing roads and small bridges, planting trees, building dykes, etc.

Mekong Quilts is a success employing 309 women full time at present, a number that rises as sales continue to increase. Non-agricultural employment is a priority for development. At the beginning of this year: a terrible drought cost farmers their crops and much of their livestock. We have a very clear picture of the situation with the regular assessments we do after the reimbursement of each loan. Indeed many investments did not generate any profit, and many farmers even lost their capital.



In Gia An (Tánh Linh district) there are many brick-making factories which are a real environmental disaster. They burn huge quantities of wood and pollute the atmosphere causing serious trouble for the region. The government has decided to replace them with more efficient and less polluting modern technology. But they will also use much less labor. Hundreds of workers will lose their jobs. Thus many women from these families are enthusiastic to join our quilters groups.



We are testing a bicycle made of bamboo



Surprise at Mekong Creations:

The bamboo products are selling even better than expected. Mekong Creations is a new organization with just 2 years of experience, and Vietnam is a country of bamboo so there is plenty of competition everywhere, but Mekong Creations has reached a higher level of quality than in other shops in Hồ Chí Minh city. Also our prices remain low while still generating a good profit margin of 50%. We are thus very encouraged to develop a large series of bamboo products and if we continue to have success, then we could envisage starting a new shop "The Bamboo House" this year! The bamboo workshop was started with the support of our industrial partner [Terre d'Oc](#)

which has funded the training of our craftsmen and which still supports us for design and quality control.

In Vietnam, underemployment of vast numbers of people and unemployment of the youth are major problems. In the rural areas it is clear agriculture cannot generate enough employment. Daily laborers for instance usually only can find work for about 10 days per month. For the rest of the time they are looking for work and have no income.



Thân, the director of the Tánh Linh program wishes to design a new project for the youth in the area, as while there are professional schools they do not attract many people because after training it is still hard to find a job. This is why Mekong

There is little mechanization in the rural areas, but it is increasing. Paradox: underemployment is endemic but during the harvest there are not enough laborers!

Quilts is such a success: the women learn with enthusiasm because they are ensured to have regular work as quilters afterwards. The challenge is thus to find new products and new employment opportunities, rather than just training young people without further planning.

The dynamics and the constraints of an enterprise, even a social enterprise, are quite different from a rural development program. A number of cadres of Mekong Plus must be stimulated as they tend to neglect the requests coming from Mekong Quilts and Mekong Creations. It is hard for a team to accept that they must work the whole night after a long day in the villages, because a certain order must absolutely be on the next plane, just because there is yet another strike in the port of Marseilles! Or that the women, all poor mothers, will not be paid for an order because there is a 5% defect in their work. Each program director must produce a monthly report which shows income for the month and what percent they have contributed to their budget. Certain teams have a very high score (Đức Linh for instance) and others not yet. There are sometimes tensions between the teams: "The profits on the quilts are for our program, we produce 80% of them!" The local authorities tend to intervene as well, as they are very much aware this is a sustainable source of funds that they can try to tap. Mekong Plus has a policy that every program should contribute its share, and produce a certain number of products.

1.7 Waste recycling

Summary of the program: invited by the authorities to help resolve the growing problem of waste, *Thiên Chí* proposes to recycle 80% of it, thus creating new jobs. This proposal has been chosen amongst the most innovative in a competition organized by the World Bank but since then fresh funding has been difficult to obtain.



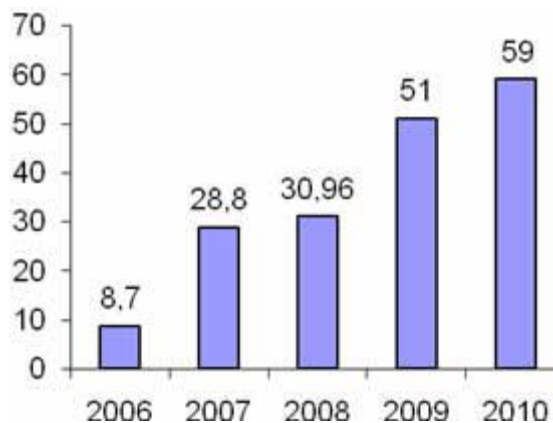
This machine to sort the waste has helped us to increase productivity

Below:

Progress of compost sales

2010 has been a corner stone for the waste recycling and compost production program. Sales are increasing quickly and the program almost covers its running expenses: the sales of compost almost cover 100% all operational costs (but not the investments in equipment.) This is an achievement as in the cities the enterprises who manage the waste are largely subsidized. Even though Tánh Linh is a poor region, with an average income 50% below the national average it requires no subsidies!

In the Mekong delta the waste recycling



has maybe less potential. People tend to throw away all their waste in the river and canals so it becomes invisible! In Đức Linh the local authorities declare they cannot find a small parcel of land so that we can replicate the successful experience of Tánh Linh. But we have good hope in Hàm Thuận Nam. This district borders the China Sea and the town of Phan Thiết. Towns generate much better waste than rural areas. Their

waste is more organic (80%) than in the rural areas (45%) though that is partly because the farmers know how to use organic waste on their farms. Phan Thiết is also a fishing port so there is useful waste on that side and we are presently negotiating with the local authorities.

Cambodia

Mekong Plus has a community development program in Rumdoul, and continues to support its 2 local partners, all in the province of Svay Riêng:
 CFED: agriculture extension through farmers groups
 PTEA: community organization to protect the forests.

After 2 terrible years, the funding situation of Mekong Plus has improved. As a result we can make performance and training our top priority. We no longer need to fund raise at the expense of optimum management of the programs or focus on cutting all possible costs.

1.8 Health

We are extremely happy that we could convince a few donors to support our new programs in Cambodia. For the moment we have 3 types of activities: agriculture, employment, and latrines. This is so little compared to the pressing problems in the region. Acute poverty reaches 3-4 times more villagers than in Vietnam (35% compared to less than 10% in Vietnam). In the domain of education



for example, we estimate 20% of the teachers are absent much of the time. Of course they are extremely poorly paid (\$40/month) and their pay comes sometimes with several months of delay. Many children do not go beyond primary school and the quality of the education provided is poor. Most children are not fully vaccinated and maybe a third is under-nourished. The majority of the children are anemic and infested with worms.

Besides the intestinal problems (diarrhea and dysentery), respiratory problems are frequent. A study among mothers has shown that a third only can

recognize the respiratory affections and know a few key things to save their child. Less than 10% women have studied beyond grade 7.

We have experience in school health, and we want to start by working with the children, who themselves are always very receptive. This way we can easily reach the community as a whole and at low cost. But permissions are needed and we fear delays as we will not pay bribes. We had to spend a full year just to open a bank account in the name of the program. We have thus developed a strategy for a preliminary phase, like working with farmers and women's groups first, not in schools but in the villages, also with health volunteers. Step by step we hope to explain to the local authorities what we propose to do (we have invited a group of cadres and headmasters to visit the program in Vietnam), so that they help us to accelerate the administrative process after seeing the clear benefits of the promised program.

1.9 Agriculture

Excellent results have been obtained. Sokheng and Narin have worked with a few pilot farmers to add one more crop, 2 instead of just one and with increased yields double or triple what they achieved before. The potential harvest per square meter is thus multiplied as many as six times and more employment is available locally.

Sokheng has also had good results with vegetable gardens. Curiously, vegetables sell at a higher price in the villages in Rumdoul than in the city of Svay Riêng. This is because Svay Riêng borders Vietnam and the Vietnamese farmers are very productive and export their crops to Cambodia. In the villages however, which are far from the main road, production is not even sufficient to meet local consumption.

The epidemic which devastated the pig farms still continues to propagate and kill thousands of animals, on both sides of the border, probably more in Cambodia than in Vietnam because the enforcement of quarantines is less strict in Cambodia. It mutates and there is no vaccine that works. It seems radical measures should be taken which Cambodia is not capable of enforcing. Sick and dead animals are still sold for local consumption. As a result our efforts to improve the pig farms have been ineffective. The farmers do not consider even feeding their pigs properly or reducing their costs a priority, because the situation is so uncertain.



The team is paralyzed as well: if an animal dies after we have introduced some new technique or vaccine, many will suspect it is because of the vaccine or other innovation. Local farmers are very traditional and will accuse the team of being responsible for the disaster! The problem is aggravated because the team is new; Mekong Plus is not yet well known in the region with no strong track record.

Belgium

In 2010 a few new people have joined the Mekong Plus team and some have even joined the board of directors, bringing new ideas and perspectives. While the finances of Mekong Plus were in a bad shape, a big dinner and conference was organized for 150 selected guests, among them many entrepreneurs and chief executives of business or important institutions. This event generated a substantial amount of fresh funds, and widened the network of contacts for further ambitious initiatives. This gives new hope to Cambodia and Vietnam and the teams are relieved after 2 dreadful years of sacrifices and budget cuts.

On November 4 conferences with presentations by Bernard Kervyn, as a spokesman for the teams, have met with some success. On micro-credit at the University of Brussels (ULB) the message was that micro-credit is a wonderful tool but should not be an end in itself. It is not a miracle tool that works in all cases.

3 more conferences focused on the theme of social enterprises, which bring a new dimension to development efforts after the fantastic success of Mekong Quilts and the launch of Mekong Creations in creating jobs and generating profits to fund the development programs.

Bernard KERVYN, 15/1/11