Message from the Director

In this edition, we take a little bit of time to explore how Habitat employs microfinance as a tool to ensure that poor Vietnamese have the ability to make the improvements to their home. Using microfinance not only makes what, for many people, seems unachievable, affordable; it also ensures the sustainability of the programs. Most importantly, housing micro-credit empowers the people whom participate in it, managing and repaying a loan that means they have ownership over their homes and thus securing their futures—safe, decent, and dignified.

Warm Regards
Nick Alexander

HABITAT & MICRO-FINANCE—the means to housing

Micro-finance has long been a mechanism to provide poor or low income individuals and families with credit that enables them to create the change that they need to, to limit their risk of poverty or alleviate their existing poverty. Habitat for Humanity Vietnam has embraced this tool and introduced housing micro-finance across all programs so that individuals and families are able to make the necessary repairs or renovations to their homes that will provide safe and decent shelter.

Housing microfinance schemes allow more families to build or repair homes more speedily. It is ideal for families, such as those reliant on seasonal work whom make up much of the rural poor in Vietnam. Because of their low incomes and often irregular work, many of these families would not qualify for credit through traditional means. Often poor families take out a small first loan to build the first stage of a new home or to make crucial renovations or repairs to an existing property. Once the loan is repaid, new loans are taken out to finance subsequent stages of the work. The ongoing repayment of loans creates a revolving fund that continues...
Mrs. Hien and her family had dug a well before, but the well water was very dirty as it absorbed dust from the surface, especially after rain. The family did not realize how polluted the water truly was until the Environment Center of Yen Lac District in Vinh Phuc Province tested the quality and showed definitive results that this well-water was in fact, not fit for household consumption. Mrs. Hien admits that this polluted well water indeed did cause to some illnesses, such as trachoma, to her family members. Furthermore, the family had no place to wash or bathe, instead finding cover in the yard.

When they realized the severity of their situation, the family stopped using their regular water source. To safeguard her family’s health, they had to become reliant on their neighbors for bathing and washing water. She and her children also spent many hours traveling to public well and carrying the water back with shoulder poles.

Mrs. Hien’s husband had died in 2000. Since then, she and her two sons have faced many difficulties, due to emotional stress and the loss of income. They didn’t have enough money to build a bath house or drill a new well for clean water. Mrs Hien did consider a “hot borrow” loan in order to finance a new well, but she couldn’t - despite the urgency and need of water the interest rates on the loan were so high she could not to be available for more families, ensuring that that the program is sustainable. Habitat also supports the families in managing their loans and repayments effectively through training, thus providing skills that are able to be utilized through their lives.

In Vietnam, HFHV partners with microfinance institutions whom have extensive experience managing and delivering micro-finance products. This allows Habitat to focus on what it does best, building, renovating and repairing homes for families in need. In addition, a specialist microfinance partner organization often relieves Habitat of the responsibility and the risks of collecting mortgage loan repayments. The microfinance institutions that Habitat has partnered with include TYM Fund, CEP, and the Women’s Union. By working with local institutions HFHV, also supports the creation of micro-credit specifically for building homes, or home repair, a product previously not available to many who needed it.
have made the repayments.

Mrs. Hien joined TYM Fund 2 years ago and since then had been introduced to Habitat for Humanity Vietnam’s Housing Microfinance Project, so she decided to take out a 6 million VND loan. After receiving the loan and leveraging more funding from relatives and the Aid Fund for students from her son’s school, the family was able to drill a safe well and make a water filtration tank with Habitat’s technical assistance. Now the entire family has a clean water source for life, thus better health. They have also improved their self-sufficiency and proud that they no longer need to depend on their neighbors’ generosity for bathing and washing. Her hope for the future is to receive another loan so that she can repair her house in preparation for her son’s marriage.

Ms. Nho’s story is not untypical for a family in the Minh Tan Village. Due to lack of financial resources, she was forced to rely on the generosity of her neighbors for drinking and cooking water. Ms. Nho was also not able to devote the time she needed to earn money due to the amount of time that she had to spend collecting river water for domestic uses and bathing. Even with all of this pressure, the thing that worried Ms. Nho the most was that she knew she was putting her children at risk by bathing them in the unsafe river water; but felt that she had no other choice.

Ms. Nho knew that her family needed a source for clean drinking water, but simply could not afford it on her earnings. After being informed of the Habitat’s Home Improvement Micro-credit loan by the Minh Hoa Commune’s Women’s Union, Ms. Nho applied for and received a 2 million VND loan to build a borehole. Through the technical support of the Habitat’s construction supervisors, the family now has clean water, so Ms. Nho no longer has to worry about bathing her children in unsafe river water. And with the appropriate loan repayments, she is able concentrate on other needed home repairs and earning a better living so that she can become more self-sufficient.

But the amazing thing about Ms. Nho’s story is that the impact does not end with just this family. Ms. Nho could see the difference in her family’s health and lifestyle that they experienced due to the clean water, so she now encourages her neighbors to use her borehole so that they could “have health as good as mine.” As she humbly stated, “Without the borehole, there was no clean water to share.”
DASHBOARD

Vinh Phuc
- 75 families received loans from Housing Microfinance Project in Vinh Phuc Province in July, 2008; totalling
  93 families who have been served to date.

Tien Giang
- In Tien Giang, a total of 1,234 families served to date.
- Baseline survey completed for new program in Go Cong Dong. Team now putting together proposal based
  on findings.
- Criteria and procedure for beneficiary selection completed. Focus on ensuring transparent, inclusive selec-
  tion process.

Rainbow Village
- The site filling contractor has commenced work and should be finished mid August
- 29 members are active in the savings schemes for families, only 2 of the original members have ceased sav-
  ing.
- 21 school children are able to be integrated into public schools in September. The enrolment process will be
  in August.
- Two community members have been working for 3 – 4 weeks in a seafood processing plant.

Kien Giang
- 42 financially active poor families received new loans to improve their housing and WATSAN condition.
- As of July 31, about 1,252 families of phase II (from Jan 2007) enjoyed better housing and WATSAN in Kien
  Giang (KG) thanks to the project.

Ho Chi Minh City
- In Nha Be, Ho Chi Minh City a total of 112 families served to date. The project has been completed.
- A mapping exercise has been carried out in almost districts of HCMC with the participation of 2 interns
  from the University of Technology in HCMC. The survey aims to identify communities that HFHV can
  work with to meet pressing housing and development needs in urban areas.

Dong Nai
- In Dong Nai, a total of 169 families served to date.

Partnerships
- Holcim have committed in principle to partnership around alternative environmentally friendly construc-
  tion technology.
- Liberty Insurance have committed to a long term partnership with Habitat for Humanity in Vietnam.

Operations
- Shift of role of Ops team to one of support versus compliance. This will be applicable to all operations staff.
  The central focus of their role will shift to supporting project offices to build the necessary capacity to meet all
  required accountabilities. They will assist to install systems, procedures and to provide any necessary training
  to ensure they are all embedded.
- Completion of the first basic IT training
• Completion of annual performance review and salary review
• Completion of FY09 training plan.
• Further refinement of Project based accounting system.
• Draft of staff orientation/induction package completed.
• On-track follow-up with work permit application for expatriates
• Initial completion of first steps for external audits

Program Delivery
• M&E framework and tools developed.
• Micro-soft project installed with all Project staff. Training program developed.
• Beneficiary selection criteria and process being developed for all projects.

Marketing and Resource Mobilisation
• Hosted a KPMG/Impact workshop at HFHV’s offices. KPMG have subsequently agreed to provide access to their menu of learning and development tools.
• Presented HFHV as a case study to an international group from Architects Without Borders at RMIT university in HCMC.

Volunteer Program
• A new Volunteer Program Coordinator has been recruited to start on 21 Jul 2008
• An audit of building and construction tools have been conducted in all project sites
• An official meeting with the Principal of Kien Giang Community College has been conducted to request volunteer provision for office and on-site support to HFHIV in Kien Giang programs
• Vinh Phuc project: build information and logistics contacts are collected for the launch of Volunteer Builds in Vinh Phuc Project in 2009

Requests for further information on articles covered in this issues, or views and comments can be sent to alissa.tran@habitatvietnam.org or thuong.nguyen@habitatvietnam.org
HFHV has a collaborative approach to ensure the best possible outcomes can be achieved for the individual projects, and acknowledges the impact that working with both local and international partners creates. The partnerships often provide mutual support and serve to further create awareness about the continuing need for people in Vietnam to access decent shelter.

Dickson Rothschild Architects in Australia is in partnership with HFHV providing technical support and advice across many projects and has also been an instrumental part of the design concept and planning process for the development of the HFHV Construction Manual.

Holcim is currently working with HFHV to pilot the use of a low cost sustainable building material in Compressed Earth Bricks (CEB). With Holcim’s support, it is expected that the construction and operations of the Rainbow Village Vocational Training Centre will be completed within the projected 3 year time frame.

Swire Cold Storage Vietnam (SCS) has entered into a partnership with HFHV and by providing financial support will further enable HFHV to enhance project capacity and support project areas.

Chevron’s commitment to HFHV ensures that we are able to continue the work that we are doing with the Kien Giang Housing Credit project and sees more people access means to implement necessary housing solutions.

Liberty Insurance has committed to developing a long term partnership with HFHV, with a view to working on projects that will further create opportunities for poor Vietnamese to attain safe and decent housing.

CapitaLand Singapore recently provided funding for the building and initial operations of a school in Rainbow Village, Kien Giang. The school operates for families who cannot afford school fees providing many students with their first chance to be in a classroom.

Land Equity International (LEI) has partnered with HFHV to provide specialist technical support to the Rainbow Village project.

ConocoPhillips supports HFHV with funds that allow needy families in Tien Giang province to be provided with a ‘love house’, a home for which no payment is required.

Nike supports the Dong Nai project that began in January 2007, with the provision of the funds that enabled a project to be implemented in the area and also participating in Corporate Build activities in the province.

Dow Chemical has partnered with HFHV to support many of our programs as well as having a longstanding relationship with Habitat for Humanity Asia Pacific. Dow Chemical has had its domestic and international staff also participate in Corporate Build activities in both My Tho and Nha Be.

Buffalo Tours has provided logistical support to HFHV on numerous occasions and are currently determining suitable long term partnership arrangements.

Marriott and Habitat for Humanity have a global partnership which on a local level in Vietnam is demonstrated by Marriott’s ongoing support of HFHV.

Frasers offers continuing support through provision of legal services to support HFHV operations.