



A Proposal for The Asia Group Foundation



Project Name: New Me! (Phase 3)

Project Location: Hanoi, Vietnam

Duration: 6 Months (April 1 – September 30, 2018)

Amount Requested: \$20,000

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Executive Summary

Since the late 1990s, Vietnam has experienced extraordinary success in economic growth, and in 2010 it was recognized as a middle-income country. Similar achievements have been recorded in poverty alleviation and in human development. Linked to these economic changes, Vietnam is experiencing accelerating urbanization. About 30 percent of the total population now lives in urban areas; this is projected to rise to more than 50 percent by 2040, reflecting the country's transition from a predominantly rural society to an urban-based economy.

In this context, *female informal migrant workers are among the most vulnerable of workers*. They often lack access to information, inputs and networks that can enable them to take advantage of opportunities to increase their income and improve their quality of life. They are often employed in diverse occupations and are quite mobile, which can make it challenging for them to come together and support one another.

The proposed next phase of the *New Me!* project would build on and consolidate the work to date by CARE and our local partner, LIGHT, and seek to develop a sustainable model that brings together a group of female informal migrant workers in Hanoi and supports them to develop their skills and networks to take advantage of social and economic opportunities.

CARE is seeking \$20,000 to support the next phase of the project (April – September 2018).

Project Background and Problem Statement

The *New Me!* initiative began in February 2016 as a pilot project to address the challenges faced by female migrant workers, who so often lack access to information, inputs and networks that would allow them to increase their income and improve their quality of life. They often are employed in individual, informal occupations such as street vending and waste collecting, which makes it challenging for them to build networks of support in their host cities. Their isolation, poverty, language and literacy barriers make them one of the most vulnerable groups in Vietnam. While programming and attention has increased in recent years for formal-sector workers, such as garment factory employees, those in the informal sector still suffer silently from discrimination and exclusion from Vietnam's growing economy. We at CARE are deeply grateful for this opportunity to *explore ways to co-create sustainable livelihoods* for this vulnerable population, most of whom are women who have traveled away from their families and villages to find income in the cities.

The *New Me!* group was established with only 15 female migrant workers – all waste collectors and street vendors – who were selected to participate in the new business start-up with the support of the project. In Phase 1, these women were empowered to run a new business together, learning new skills and gaining new knowledge in financial management and business planning.

In Phase 2 of the project, CARE sought to strengthen *New Me!* through enhancing the organizational capacity of the group, teaching entrepreneurial skills for running the business models selected, and building financial literacy skills through CARE's signature Village Savings and Loan Association (VSLA) methodology. VSLA is a simple approach to group savings that involves no outside loans at all. Group members decide on a regular savings rate; make small loans to one another for small businesses, education and health needs; and then share a payout at the end of each one-year cycle. The groups also include a social fund that members can use for unexpected expenses (usually health care costs or a death in the family), essentially functioning like group micro-insurance.

In Phase 2 of *New Me!*, the project recruited more members, empowering more women to explore new ways to earn money and improve their quality of life. After the female migrants had several meetings, they decided to revise their business direction. Rather than creating entirely

new enterprises, they decided to focus on their current jobs as street vendors or waste collectors – but doing it in a more professional way. The street vendors invested their time and energy in advertising hygienic food, while the waste collectors upgraded their business by providing a house cleaning service in addition to collecting waste. The street vendors and waste collectors/house cleaners also developed a business plan to advertise one another's services with customers, building a network that benefits all. The VSLA component played a critical role in this new direction, as participants have access to small loans that they can invest in their growing businesses.

Project Objectives and Activities

Accomplishments and Lessons Learned from Phase 2

Phase 2 of the *New Me!* project has supported two groups: 23 street vendors and 15 waste collectors. The participants have learned about organizational management, development plans, business management plans and VSLAs.

Among the successes so far:

- **The group is stronger.** The project has recruited more members and supported the group to develop regulations. Overall, the group emphasizes the responsibility of each member to contribute to the group based on the rule of equality and transparency for mutual benefit. The group also clarified its business plan, which focuses on members' current jobs and strengthens the network to attract more customers.
- **Training sessions as well as pop-up markets have given the group more experience in developing a business.** Members have a clearer vision about which services they really want to focus on, and they know how to advertise their products.
- **Leaders have emerged.** Several women who participated in Phase 1 of *New Me!* now make up the leadership structure of Phase 2.
- **The VSLA is becoming a good base for female migrants to expand their economic opportunities and strengthen their individual and group capacity of organizing.** This is one of the first times CARE's VSLA approach has been fully implemented in an urban setting. *We are encouraged to see that 40 percent of the group members have taken loans to invest to their own businesses after only five months of implementation.*

In Phase 2, CARE and LIGHT conducted an assessment to address gaps and ongoing needs in *New Me!* training. Among the findings:

- **Group management should continue to be strengthened.** Coaching by the project team is still needed to make each group fully functional. Also, more training would benefit group leaders and make them more confident.
- **Training is needed on food hygiene and safety for the street vendor group.** While the street vendor group set up the criteria "clean and safe" food for their service, they should have more opportunities to learn how to ensure product quality.
- **Training is needed on housecleaning service for the waste collector group.** The group of waste collectors identified that they would like training to help them understand best practices in housecleaning services to professionalize their offering so they can earn more money and gain repeat customers.

- **More training is needed on marketing.** The majority of participants – mostly women in their 50s – said they would welcome more support in marketing and best practices for promoting their businesses.
- **Members need continued support to explore new ways of reaching more customers.**
- **Continued coaching is needed for the current VSLA group of waste collectors and street vendors.**

Project Overview

The *New Me!* model has shown good potential in terms of providing opportunities for increased economic security and improving the capacity of the waste collectors and street vendors as a group. ***We see strong possibilities to expand this pilot to more urban women across other cities in Vietnam.*** With the changes in focus during Phase 2 that grew out of the ideas, experiences and learnings of the participants, a further six months is needed for CARE and our local partner, LIGHT, to prove the model and ensure that it is sustainable. In the next six months, 38 members of the current *New Me!* group would receive additional support to develop their knowledge of the services they want to focus on and ensure they can run their businesses well.

The overall objective of Phase 3 of *New Me!* is to further develop and strengthen the business model to ensure sustainability. The project will achieve this through the following objectives, expected results and activities:

Objective 1: To strengthen *New Me!* group organizational management and development.

Expected result: The *New Me!* group has the capacity to develop and implement the business plan, including coordinating the services of the group.

Activities:

- Conduct training for group leaders to strengthen their capacity to coordinate services.
- Support frequent meetings of the *New Me!* group.

Objective 2: To improve *New Me!* business through enhancing marketing skills and technical skills.

Expected result: *New Me!* members have increased technical skills in their service of choice and have improved marketing skills to sell their products and services.

Activities:

- Conduct training on food hygiene and safety for the street vendor group.
- Conduct training on housecleaning service for the waste collector group.
- Conduct training on marketing for all group members.
- Conduct workshops/meetings to connect the service of the two groups with the customers.

Objective 3: Members grow a sustainable source of capital for the collective members through the implementation of CARE's signature VSLA methodology.

Expected results: Female migrant workers have improved access to capital to expand their small business efforts; and female migrant workers have strengthened their group cooperation and support to take advantage of economic opportunities.

Activities:

- Continue coaching for the current VSLA group of waste collectors and street vendors.

- Conduct workshop to introduce the VSLA model to the stakeholders.

Monitoring and Evaluation Plan

The project team will collect quantitative and qualitative data to understand the progress toward expected results and objectives. For a project of this value and duration, the project will focus on tracking activities using quantitative data (with CARE's Activity Tracking System) and supplementing this with qualitative data gathering through focus group discussions and stories of change. The project MEL also will be used to inform semi-annual project reporting and to help CARE and LIGHT understand the extent to which the model might be sustainable and replicable to other female migrant workers in the informal sector.

Preliminary indicators to measure expected results (to be refined):

- Increased capacity in organizational management and development among group members (pre- and post-capacity assessments, focus group discussions, stories of change).
- Number of *New Me!* group members who have improved skills in marketing and in technical skills relating to their business (pre- and post-test, focus group discussions, stories of change).
- Number and percentage of women who are active users of financial services, disaggregated by informal and formal services (focus group discussions and stories of change).
- Number of *New Me!* group members who have used a VSLA loan to invest in their business (focus group discussions, stories of change).
- Number of *New Me!* members who report strengthened group cooperation (focus group discussions, stories of change).
- Number of *New Me!* members who indicate they will continue beyond the project timeframe (focus group discussions, stories of change).

Sustainability Plan

The *New Me!* project has a strong focus on strengthening a model that will be sustainable beyond the project timeframe as well as replicable with other female informal migrant workers. In Vietnam, CARE and our partners have implemented more than 600 VSLAs, all in rural areas. Numerous evaluations and studies have shown that the vast majority continue to provide women with social and economic opportunities far beyond the project timeframe, and that these savings groups often self-replicate as members teach others who request it. This project seeks to expand this tried-and-tested model to a new group: female informal migrant workers. With the urbanization trend in Vietnam, **the *New Me!* model has strong potential to be replicable with other female informal migrant workers in Hanoi and in other urban areas.** Notably, this is the first time the VSLA model has been tested in an urban population or a middle income country—a critical step forward in the fight against poverty, given that the majority of the world's poor actually reside in middle income countries.

This project falls under CARE's broader *Socially Marginalized Populations* program in Vietnam, which focuses on three sub-groups: female sex workers; female migrant workers in the

formal sector; and female migrant workers in the informal sector. CARE is working to identify prospective donors to build on and replicate the *New Me!* model with female informal migrant workers. ***With support from The Asia Group Foundation, CARE and LIGHT are seeking to build an evidence base of what works to then be able to approach institutional and private donors for support to scale up the approach within Hanoi and across other major cities.***

Organizational Capacity Statement

In Vietnam and across the world, CARE works with and through local implementing partners to support a stronger civil society, and ultimately, more sustainable and lasting outcomes. Our partner in the *New Me!* project is LIGHT, an NGO that has 10 years of experience working to promote the socio-economic rights of urban migrants, with a particular focus on female migrants employed in the informal sector. By design, LIGHT leads on activity implementation, while CARE has overall accountability for project management (including budget management and donor reporting) and technical approaches (structure and content of trainings around business management, marketing, financial literacy, and VSLA establishment and management).

LIGHT is a chair of Mnet (a network of civil society organization working on migrant issues) and has a network of peer educators who provide training and support to female migrant workers and have strong relationships with local leaders, community gatekeepers and counterparts in government and other local organizations. Female migrant workers targeted by LIGHT include street vendors, waste collectors, domestic workers and migrants working in restaurants, bars and in the entertainment industries. These groups often have limited access to social support services such as legal support, loans, health care and protection from violence and abuse. LIGHT attempts to fill that gap and thus has extensive experience mobilizing and providing training to this hard-to-reach group.

Budget

Item	Amount
Personnel	\$4,437
Project Activities	10,353
Rent/Utilities/Materials/Financing/Miscellaneous	2,610
CARE Technical and Administrative support (13% of gift total ¹)	2,600
Total	20,000

¹ Please note that adret is calculated differently from ICR, i.e, it is 13% of **gift total** rather than 13% of direct project costs.

Annex 1: Individual Impact

‘I Am Much More Confident’: Hoa’s Story

Nguyen Thi Hoa, 52, moved to Hanoi from a rural Northern province and has never been afraid of hard work. But only recently have her efforts begun to pay off in a better business and higher income. From 5 to 8 a.m. every day, Hoa sells eggs in a small market. Then she returns home to deliver eggs to her regular customers. After that, she works as a waiter in a restaurant until the



late afternoon. “I am quite busy, but it is good,” Hoa says, “because I can earn more money to prepare for the time when I become older.”

Hoa’s work success has not happened just by luck. In 2016, she became a member of CARE’s New Me! project, implemented with our local partner, LIGHT. Hoa and other women migrants have learned basic skills about starting a business – and even more importantly, about maintaining and growing a business.

Hoa learned the importance of recording her expenses and saving money. She also learned how to advertise her egg delivery service and how to connect to more restaurants that can use her service.

Hoa took advantage of loans from her VSLA to make investments in her small shop. Now, she manages her finances well enough to operate a successful business in the big city while also saving money. Hoa enjoys sharing her own experience with other VSLA members, which helps to empower even more women in her community. “I am much more confident,” Hoa says. “That is not just because my income is increased, but also because I realize that a lot of people need me and respect what I can do for the community.”