



MiVAC
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EXECUTIVE SUMMARY

Financials and Plans in Lao PDR

Purpose

The purpose of this document is to show how MiVAC is operating in Lao PDR and to set out the financial requirement of continuing to develop the MiVAC Model Farm together with projects of possible assistance to nearby villages and villagers.

1. MiVAC has been working as an iNGO in Phoukood District, Xiengkhouang province, Lao PDR, since April 2012 when it was granted the Operational Permit Number 030/AE.OI.3. March 26, 2012 by the MINISTRY OF FOREIGN AFFAIRS VIENTIANE GOVERNMENT. The District's villagers are of multi ethnicity and 60 to 70% of the inhabitants below the poverty line – the project commenced at Ban Xai.
2. In 2012 MiVAC has successfully developed a model farm with the community in Ban Xai. Now that the model farm is established, impoverished farmers from adjoining villagers can visit, learn and assess which components they would like to adopt.

3. Model Farm: April 2013 – October 2013 – Financial Requirements

For MiVAC to facilitate the continued effectiveness of the model farm as both a provider of livelihood and a teaching tool for *adjoining villages* in the next year, the total amount required would be as follows –

Supervision, Training and the Garden Budget for April 2013 to Oct 2013: \$27,272

4. Development Projects in Phoukood District.

Separate to the model farm there are a number of other initiatives for poor people in the Phoukood District which can be leveraged from the work and credibility already established in Ban Xai. These are more or less independent and could be funded individually or in total, should a suitable donor be found. The total amount required for all the projects identified is a

Grand Total of: \$418,044

5. MiVAC is an 11 year old NGO started by Veteran Tunnel Rats from the Vietnam War and is a purely voluntary organisation. To put an estimate, in dollar terms, for people who contributed their time, expertise, air fares, and living costs for volunteers, site supervisors, Project Manager, Assistant Project Manager, Operations Manager and other volunteers some in Australia and some on site is in excess of \$250,000. In addition there is now a volunteer Operations Manager living near the site for the next two years.

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INDEX

1. Background of MiVAC	Page 3
2. Other Organisations Involved with MiVAC in Lao PDR	Page 3
3. History of MiVAC in the Area	Page 3
4. Primary Focus of the Project and What Needed to be Done	Page 4
5. MiVAC's Initial Approach	Page 4
6. MiVACs Strategy to Tackle Poverty	Page 4
A. Social Protection and Sustainable Livelihoods	
B. Financial Inclusion with the micro-finance	
C. A Rural Development Learning Facility	
7. MiVAC Operational Guidelines for 2nd year	Page 5
Development of Model Farm	
8. Rotary Involvement	Page 6
9. Summary of Activities to be done from 1 Apr 13 to 1 Oct 13	Page 6
10. Supervision, Training and Garden Budget for Apr 13 to Oct 13	Page 7
11. Near Term Projects	Page 7
A. Tasks around the village of Ban Xai	
B. Strengthening Income Generating Capacity Through Ideas Generated by the MiVAC Model Farm	
C. Education involving Micro Loans	
D. Trade Training at the Integrated Vocational Education and Technical School (IVETS)	
E. Supervision, Training and Garden Budget for October 2013 to April 2014	
F. The Access Track Including a CAUSEWAY to Hinmou Peung	
G. The UXO and Minefield Component	
12. Conclusion	Page 10

Financials and Plans in Lao PDR

1. Background of MiVAC

MiVAC was established in 2002. It is an international Non Government Organization (iNGO) initiated by Veteran Australian Tunnel Rats (Combat Engineers) from the Vietnam War. Since inception, MiVAC has grown considerably and now has Australian and International supporters from all walks of life.

Some unique features of MiVAC are:

- It is a purely voluntary organization that brings relief to people living in areas affected by mine warfare and unexploded ordnance (UXO)
- 95% of the funds raised are spent directly on projects.
- Volunteers pay their own travel and living expenses
- Administrative costs and overheads are kept low – our administrative staff are unpaid volunteers.
- That MiVAC works actively with a great variety of other aid organizations and NGOs.
- A large number of MiVAC volunteers are veterans with personal experiences of the devastating effects of mines and UXO on communities.
- All MiVAC personnel are committed to helping communities affected by mines and UXO to make positive changes so that they can have hope and lead a normal life.

2. Other Organisations Involved with MiVAC in Lao PDR

Some of the organizations Involved with MiVAC in Lao PDR are as follows:

- ***The Charitable Foundation*** – the primary funder of MiVAC in 2012.
- Global Development Group – a partner of MiVAC for several years.
- Australian Rotary clubs. The Rotary Club of Mosman recently established a Rotary Australia World Community Service (RAWCS) project to supply potable water at Ban Xai in Laos.
- Medical consultation and advice is provided informally by a Save the Children Fund representative.
- The Mulberry Farm Charity
- Integrated Vocational and Technical School – IVETS

3. History of MiVAC in the Area

MiVAC has operated in SE Asia for 10 years to clear mines and unexploded ordnance (UXO) and has embraced the need to marry mine clearance with development assistance to the communities affected by mines or UXO.

MiVAC has been working in the Xiengkhouang province of Lao PDR (amongst other provinces) in 2009 and 2011 clearing minefields and liaising with village and provincial heads in an area located at the western end of the Plain of Jars, which was the site of much fighting during the Secret War of Laos from 1960 to 1975. MiVAC paid for the training of villagers selected from Ban Xai to be qualified as minefield clearance operators.

As a result of the contract work paid for by MiVAC to clear the Minefields Khangpunhor 1 and Khangpunhor 2 **[the first Minefields to be cleared in Lao PDR] safe agricultural grazing land**

close to Ban Xai village was realised. Over the last few years a certain degree of trust has been established. At several meetings between Village and District representatives there were several requests for assistance made to MiVAC. MiVAC carried out an extensive needs survey in the villages adjacent to these mine fields and is determined to address the extreme poverty and development needs found at Ban Xai and its neighbouring villages of Hinmou Pueng and Pong Hor.

Co-operation was sought and gained from District and Provincial Level Representatives, and an Operational Permit was granted to MiVAC in March 2012 by the Ministry of Foreign Affairs, Government of Vientiane.

The 700 inhabitants of Ban Xai and Hinmou Pueng have no clean water sources, no sanitation, power is available but not affordable for the majority, two inadequate schools with dirt floors (now rebuilt and refurbished), and the villagers are facing gross food insecurity most of the year. Most of the inhabitants are below the Laos government poverty measure of 50 cents per day and many families live on as little as \$30 per year with a food intake of less than 2100 calories per day.

4. Primary Focus of the Project and What Needed to be Done

At MiVAC's current project at Ban Xai, Phoukood District, Xiengkhouang Province, the **ultimate** primary focus is on – income generation, social protection and financial services. The village is extremely poor and falls in the 60-70 percentile below the poverty line. The inhabitants are an 80% ethnic minority being Hmong. Before income generation, social protection and financial services could be achieved it was necessary to work with the village on:

- Adequate Water Supply
- Sanitation – mainly toilets and the resultant health benefits
- Potable Water (every drop was boiled)
- Schools and school supplies
- Dormitories for primary children
- Water and toilets for schools

5. MiVAC's Initial Approach

MiVAC's approach was to cultivate trust, working with the Village, the District and the Province Officials. A number of Lao have been employed (including Hmong Managers) and the village has handed over 1.5 hectares of ground for MiVAC to develop with buildings, (MiVAC's Australian Volunteer Supervisors live on site), cow shed, pig pen, chicken pen, fish pond, gardens and water supply. Whilst the 'model farm' was being developed the items above (the dot points) took priority.

6. MiVACs Strategy to Tackle Poverty

MiVAC believes that providing families with the ability to generate their own income is the best means of tackling poverty. So when the 'Model Farm' was completed (it is never really completed) and the running of it handed over to the villagers (except for supervision), regular open days for the villagers from Ban Xai and surrounds are held to show the Model Farm and encourage others to adopt components of the farm for their own land. The MiVAC model farm at Ban Xai enables the following:

- A. Social Protection and Sustainable Livelihoods are being developed through income generating activities in a poor community being sustainable and being environmentally sensitive:**

- (a) Strengthening village-level micro-enterprises enabling poor people to generate income by:
- (i) Showing the increase in agricultural yield with water and fertilizer on poor ground
 - (ii) Showing the growing of Pigs in a business like way
 - (iii) Showing the growing of Poultry in a business like way
 - (iv) Showing the growing of Fish in a business like way
- (b) Paying for the training of Women as Seamstresses, Loom Operators and Cooks at a German Established College called Integrated Vocational Education and Technical School (IVETS) located at Phonsavan, Xiengkhouang. The women are chosen so that when they establish a business it will benefit vulnerable families.
- (c) MiVAC has also contributed to **Social Assistance** to households the necessary food to keep the inhabitants from starving.

NB. In the future it is hoped to seek funds through the facilities provided by the **Micro-Enterprise Challenge Fund** to deliver a community-based social protection activity – Resilient Livelihoods for the Poor (RLP) – for short-term social transfers to the most vulnerable, resource poor families, combined with the provision of an appropriate productive asset and coaching in order to strengthen their income-generating capacity.

B. Financial Inclusion with the micro-finance

- (a) Currently MiVAC has assisted (or about to assist) with short term micro-finance for women who have completed the training as Seamstresses, Loom Operators and Cooks.
- (b) MiVAC plans to assist villagers of Ban Xai to establish rural opportunities offered in para A. (a) above. Micro Loans will be required by some of the villagers who wish to participate and these funding needs to be sourced.

NB. In the future it is hoped and envisaged that GIZ will be able (along with local banks) to provide this funding together with the financial literacy education required for the villagers. Improved financial services and financial literacy will strengthen the capacity of families participating to maintain and build on their productive assets and savings, and to be more resilient to shocks, after their micro loan has terminated.

C. A Rural Development Learning Facility –

has been established at Phonsavan, Xiengkhouang Province. It is a German College called the Integrated Vocational Education and Technical School (IVETS) and the area is indeed fortunate to have it. MiVAC is currently sponsoring people to attend IVETS – particularly women for both Cooking and Sewing 3 Month Full Time Courses.

Future Plans include sponsoring of villagers to attend IVETS to learn the occupations or Trades of Agriculturalist, Electrician, Mechanic, Carpenter, Plumber and more. Furthermore there is a Mulberry College that teaches the operation of a loom and MiVAC's plan includes sponsoring 6 women to attend a course. All this funding needs to be sourced.

7. MiVAC Operational Guidelines for 2nd year Development of Model Farm

The Model farm at Ban Xai will be completed involving the operation of a bio-digester which provides gas for both cooking for humans and pigs as well as heating and lighting. There will be several money earning activities including the farming of pigs, chickens and fish. The garden will be a gradual process of developing the very poor soil with the treated biodigester effluent, however it will

prove to be a money earning operation growing pig food (corn, cassava, banana plants) and vegetables. Furthermore the garden will be intensely farmed with at least 2 crops per year using water and fertiliser. The Cattle Shed will continue to be used to house village cattle with MiVAC paying for the resultant cow/bull manure.

It is planned that the model farm will gradually become self-sufficient initially, with income from pigs, fish and chickens followed by the garden produce. This will then be a model for villagers to choose different components of what they might do on their own land. It could be an individual farmer or it could be a group of villagers with adjoining land who could take advantage of either all or part of what the model farm has to offer. The MiVAC employees would be available for guidance and to supervise or advise on construction. In this way MiVAC addresses the provision of families with the ability to generate their own income, which is the best means of tackling poverty.

Open days are held for the local villagers and this will be encouraged for all including the villagers outside Ban Xai – the model farm could be for all Xiengkhouang. It is envisaged that the model farm be an area that agricultural students from the German College (IVETS) attend and carry out “practical farming”. MiVAC is planning that the model farm be on the tourist map – this is also the wish of the Head of Foreign Affairs in Phonsavan. This Tourist activity could benefit the community in several aspects – for example: sale of silk from looms, sale of traditional clothing from the seamstresses and direct donations.

8. Rotary Involvement

Water supply has been a huge issue at Ban Xai. Mosman Rotary club have sponsored a RAWCS which has currently paid for a pipe line to be installed. This pipeline delivers water to the model farm and then it is pumped to the Western End of Ban Xai. The villagers dug in the pipe and at both the source and delivery end of the pipe MiVAC supervised the task and provided technical expertise. Current plans include the scoping of for water development at Hinmou Peung as well as other tasks. This task is a commitment of MiVACs and is expected to cost close to \$20,000.

A future Rotary plan, in conjunction with MiVAC, is to choose another village to make similar improvements to as MiVAC has made to Ban Xai in Phoukood District – these tasks will all be supervised by MiVAC personnel with Rotary raising the funds.

9. Summary of Activities to be done from 1 Apr 13 to 1 Oct 13

There will be a continuation of some of the original activities plus new activities

- To continue to employ 2 Lao Managers, 1 Carpenter, 4 garden and biodigester operators and a cook
- Continuing development of the garden
- To assist in the development of Tourism by promoting the Model Farm
- To conduct open days at the model farm to show what can be achieved to earn a farming income and to explain the biodigester operation and gas use
- To continue the assistance to the Village Water Committee so that they can recover a monthly fee from householders and to create water discipline
- To assist in implementing the government’s agricultural extension program with developing poor yielding areas so that the yield is quadrupled using fertilisation and water
- To build and supervise projects which include potable water for 3 schools, water tanks and toilets
- To build and supervise projects which include potable water for a dormitory plus kitchen, toilets and water tank

- To assist with Rotary projects including costing and supervision
- To train a “water tester” and test the water for the bio sand filters and other areas
- To assist those personnel who have completed training to establish a sewing business
- To pay for the trade training of loom specialists and a cook

10. Supervision, Training and the Garden Budget for Apr 13 to Oct 13

Development – of garden tanks, tilling, plants, training & advice	\$ 2,500
Training and employment of a “water tester” with donated IDEXX equipment	\$ 1,200
Trade Training IVETS – 1 Cook	\$ 350
Trade Training Mulberry Farm 6 x women as Loom Operators	\$ 2,122
Micro Loan to 6 trained women	\$ 4,000
Staff – Manager, Asst Manager Carpenter	\$ 6,600
Staff – 4 x Labourers	\$ 2,500
Staff – Cook – 2 Months	\$ 400
Fuel – pumps, motor bike and vehicle repairs and fuel for villages to attend training	\$ 6,000
Incidentals – including electricity, tools, paper, ink, cow/bull manure	\$ 1,600

TOTAL \$ 27,272

11. Near Term Projects

A. Tasks around the village of Ban Xai

- Providing potable water (bio sand filters) to 3 primary schools
- Providing a water tank to 3 schools and a means whereby it can be filled
- To build 2 buildings for a school dormitory plus water, toilets and kitchen
- Provide children’s play equipment is a dream
- Ensure (if possible) the wages are paid to the teacher in Hinmou Peung
- Buy materials for a temple at Ban Xai

The Budget TOTAL for the materials is \$22,500

B. Strengthening Income Generating Capacity Through Ideas Generated by the MiVAC Model Farm

This will be Micro Loans (and perhaps some gifts) for those villagers from resource poor families and sometimes combined with the provision of an appropriate productive asset (including coaching) in order to strengthen their income-generating capacity: for example: pigs, cattle, chickens, fish and vegetable garden.

The Budget TOTAL is estimated to be \$20,000.

C. Education involving Micro Loans

To provide financial literacy education required for the villagers. Financial literacy will strengthen the capacity of families participating, to maintain and build on their productive assets and savings, and to be more resilient to shocks, after their micro loan has terminated.

Estimated Budget TOTAL to be \$4000

D. Trade Training at the Integrated Vocational Education and Technical School (IVETS)

The sponsoring of selected individuals to learn the occupations or Trades of Agriculturalist, Electrician, Mechanic, Carpenter, Plumber and more. Most of these trades are for 3 years and the cost for each is \$4400. Once their training is complete some may require a micro loan to set up in business and some may work for other organisations. (This can be considered in the future.) To keep the graduates close to their village will mean that they will need to set up their own business.

Estimated Budget TOTAL of Training 5 people for 5 years is \$22,000

E. Supervision, Training and Garden Budget for October 2013 to April 2014

A best estimate is the same as for the previous 6 months

Estimated Budget TOTAL is \$27, 272

F. The Access Track Including a CAUSEWAY to Hinmou Peung

It is estimated by the Governor of Phookood District that the absence of access roads or all-weather access tracks are the major reasons that prevent economic progress in the district. There are 2 major projects required in the area of Ban Xai for which MiVAC requires assistance. They both have to do with access to the (sub) village of Hinmou Peung which is 8 km south of our location in Ban Xai. In the rainy season the track is impassable. For one thing there is no access over the river and the state of the track is such that even Tractors get bogged. So what is needed is

- (a) A river crossing – it is suggested a concrete causeway such that the main flow in the wet goes over the top. (MiVAC supervised the building of one like this in Vietnam). The Cost is estimated to be \$33,000 for materials – labour is free from the village.
- (b) A grader and then some culverting

Please note that Phu Bia Mining (the local Australian Gold Mining Company – Pan Aust in Australia) has been asked to assist with a grader and the causeway. Note that everywhere the grader is used must first be cleared of UXO. Little hope is held for the use of the grader (because of cost of UXO clearance in the near future) however we have some hope for the causeway funding.

Estimated Budget TOTAL for Causeway and Culverting is \$40,000

G. The UXO and Minefield Component

With the very nature of the beginnings of MiVAC being from the Army Engineer Corps MiVAC has many ex-military contacts who have practical experience with finding and clearing mines from a

minefield. As such, MiVAC knows a number of Ex Army Engineers who are working in the field of UXO (Unexploded Ordnance) clearance who are working with companies in Lao PDR and knows one person Ex Sergeant Paul Miles who is qualified in Lao to clear minefields. In addition to this, MiVAC has contacts throughout the Engineer Corps and it is known that on leaving the Army many are interested in working for MiVAC in Lao PDR clearing UXO and Mines (all such people would need to be retested in Lao under the regulations of the National Regulatory Authority – NRA and once again Paul Miles has the necessary qualifications to test).

MiVAC has paid for the clearance of 2 minefields at Ban Xai and Paul Miles was the leading trainer and technician in charge of this clearance. Twelve villagers were trained from Ban Xai village. MiVAC have now applied for the licence to the NRA to clear minefields (using Paul Miles as the leading technician) and this is expected to be granted in the coming days. MiVAC is soon to apply for a UXO clearance licence.

A word about UXO versus Minefield Clearance. UXO is scattered mines dropped indiscriminately from aircraft and the steel is recovered by families and sold as scrap metal – the “dry season crop”. It is estimated that it will take 100 plus years to clear Lao PDR of UXO. UXO is far more safe, quicker and cheaper to clear with most cost estimates being from \$1500 to \$4000 per hectare – this is why most international clearance companies operate in Lao PDR.

No company operating in Lao PDR has a licence to clear mines in a minefield in Lao PDR. Why? Because it is more dangerous to clear and there are not as many minefields around to clear. Wherever major set piece defensive battles have been fought there are generally minefields – and these of course are deliberately laid and concealed. Minefields are far more dangerous to the population and to stock than UXO. Once a minefield is identified then the local population avoid it until stock strays into it – then the keeper of the stock and the stock are maimed or die.

There were 5 minefields around Ban Xai – now there are 3 which have been Level 1 surveyed by MiVAC. (Detail is available if required). With the heavy fighting that has been in the history of Xiengkhouang there are many more minefields. 31 have been identified and Level 1 surveyed by UXO Lao in Xiengkhouang. (Detail is available if required). No one is clearing them and MiVAC wishes to remedy that, starting with the 3 in Ban Xai. The cost to clear minefields is much more than clearing UXO – up to 10 times the cost (and up to 10 times more dangerous unless you are well trained).

There is a possibility of MiVAC being funded by a UNDP-managed trust fund – however that would only be after we have some “runs on the board”. So to commence activities, MiVAC would need to buy the equipment, employ and train or retrain some personnel, and then clear a minefield and clear an area with UXO.

The budget for this is

Buying the equipment for UXO clearance –	\$90,000	Details available.
Additional equipment for Minefield Clearance –	\$30,000	Details available. (See Note 1)
Note 1 – if both teams are operating at the same time then:	\$70,000	Details available
Estimated Clearance Cost for 15 Hectares at Ban Xai is:	\$22,500	

Estimated Clearance Cost for smallest minefield is: \$75,000

UXO Budget TOTAL to get started is: \$112,000

Minefield Budget TOTAL to get started is \$145,000

12. Conclusion

This request is to assist MiVAC to expand the capability of the people in Phoukood District, Province of Xiengkhouang by promoting poverty reduction and Village Development through empowering the villagers by coaching and by assisting to arrange finance for various activities. Furthermore “land locked” land will be released for agriculture once the clearing of UXO and minefields has been accomplished.

The Budget required for this is

• Supervision, Training and Garden Budget for April 2013 to Oct 2013	\$27,272
• Tasks around the village of Ban Xai	\$22,500
• Strengthening Income Generating Capacity Through Ideas Generated by the MiVAC Model Farm	\$20,000
• Education involving Micro Loans	\$ 4,000
• Trade Training at the Integrated Vocational Education and Technical School (IVETS)	\$20,000
• Supervision, Training and Garden Budget for Oct 2013 to Apr 2014	\$27,272
• The access Road including a CAUSEWAY to Hinmou Peung	\$40,000
• UXO Budget TOTAL to get started is	\$112,000
• Minefield Budget TOTAL to get started is	\$145,000
• <u>GRAND TOTAL</u>	<u>\$418,044</u>