

Business Support – X4 Pre-processor Workshop

Prosperity Initiative connects buyers to pre-processing workshops to increase incomes and jobs for poor and near poor people in rural areas in Viet Nam. Our work with the X4 workshop in Thanh Hoa province, Viet Nam is one such example.

In March 2008, Prosperity Initiative’s Mekong Bamboo team introduced a large domestic buyer of raw bamboo mats for construction board to the X4 workshop. In the process of building the relationship between the two parties, we created a financial model to show the workshop the profitability of supplying mats to the buyer. In addition, Mekong Bamboo provided technical and logistical support to strengthen this relationship. After the investment, we provided supervision and coaching.

In a province where the poverty rates are 25.3% poor and 58% near poor, this investment has created additional jobs and income for poor and near poor people, and for women in particular.

X4, which employs 20 people full time, began production in mid 2008, with a total investment of 20,000 USD and a current daily output of 1320 kg/mats per day. This investment has created an additional 14,483 USD of income for poor people and 19,052 USD for near poor through additional bamboo sales and new full time equivalent jobs. Thirteen full time jobs for poor and 18 for near poor have been created, impacting 155 people in 130 households (Table 1).

This intervention also has a significant gender component, because the workshop outsources the weaving of the mats to approximately 50 women workers. These women produce 2 mats/day, earning an additional USD 1/mat or USD 2/day.

X4’s future plans include setting up a construction board factory with two potential partners and a total investment of more than 440,000 USD. Since the start of our engagement, Prosperity Initiative has provided close to 40 days of support through three technical advisors.

Table 1. Impact table for X4 intervention

Household income		Poor (<1.25USD/day)	Near-poor (<2USD/day)	Total (includes non poor and near-poor population)
Bamboo sales	USD/year	11,563	15,211	46,200
	# hh	30	70	120
	# people	150	348	600
Jobs	USD/year	2,920	3,841	11,667
	# jobs (FTE)	13	18	53
	# people	67	88	267
Total	USD/year	14,483	19,052	57,867
	# hh	43	87	173
	# people	217	436	867