



NGÂN HÀNG CHÍNH SÁCH XÃ HỘI VIỆT NAM VIETNAM BANK FOR SOCIAL POLICIES

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RURAL CLEAN WATER SUPPLY AND SANITATION SCHEME

VBSB

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RURAL CLEAN WATER SUPPLY AND SANITATION SCHEME



1. TARGET CLIENTS

Households are living in rural areas (including the poor and the non-poor).

2. BORROWING CONDITIONS

- ✓ Having registered permanent or long-term residence in a rural area where VBSP's Branch Office locates.
- ✓ Safe water and rural sanitation constructions are unavailable or already available but are neither yet up to national clean water standard nor certified by Communal People's Committee for rural sanitation.
- ✓ The household shall not be subject to collaterals but have to be members of a saving and credit group (SCG), nominated by such SCG in a borrowing request list certified by Communal People's Committee.

3. LOAN PURPOSES

- ✓ Purchasing raw materials;
- ✓ Paying construction fees;
- ✓ Other necessary costs for building, renovating or upgrading, to ensure the National Standard on rural safe water and sanitation (toilets or latrines with biogas, hygienic livestock pens; sewage and rubbish disposal in rural handicraft villages).

4. LENDING INTEREST RATE

- ✓ The lending interest rate: 0.75%/month
 - ✓ Overdue debt rate: 130% of the lending interest rate
- (The interest rate is stipulated by the Government Prime Minister from time to time).*

5. LOAN SIZE

- ✓ The loan size is determined according to:
 - The safe water and rural sanitation budget established by a customer
 - Borrowing needs.
- ✓ The maximum loan for each facility is VND 10 million/household. Each household is entitled to borrow VND 20 million at maximum for two facilities.

6. LOAN TERM

The maximum loan term is 60 months; the grace period is first 6 months. During grace period, borrowers have not yet to pay the loan principal and interest.

7. LENDING METHOD

Direct lending but entrusting some steps for partner mass organizations and SCGs in the lending process

