



IMPROVE ACCESS TO CREDIT ON RURAL SAFE WATER AND SANITATION FOR RURAL HOUSEHOLDS



Under the National Strategy on rural water supply and sanitation, since 2004, VBSP has extended the preferential loan scheme on safe water and sanitation for rural households. The objective of this program is to support households in rural areas to invest in the construction, renovation and upgrading of clean water supply and sanitation in order to improve living conditions and people's health, thereby promoting socio-economic development in rural areas.

Key Achievements:

- Lending turnover reached VND 82,104 billion (USD 3.55 billion) with approximately 8 million turns of rural household customers. Also, debt collection reached VND 42,924 billion (USD 1.85 billion)
- Supporting rural households to build 13,995 thousand constructions, including 7,132 thousand water supply facilities and 6,863 thousand sanitation facilities.
- The average loan amount per household is VND 19 million.
- Total outstanding loans reached VND 39,110 billion (USD 1.68 billion), accounting for 17.44% of the total outstanding loans in VBSP.
- The rate of overdue debt and frozen debt account only 0.26% per total programs.

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

Lending Method: Direct lending but entrusting some steps for partner mass organizations and savings and credit groups in the lending process

Loan Size: 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 (safe water supply and sanitation).

Interest Rate: 0.75%/month (The interest rate is stipulated by the Government Prime Minister from time to time)



The program not only has achieved socio-economic efficiency and actively contributed to the implementation of the National Target Program on sustainable poverty reduction and built new rural areas but also contributed to environmental protection, climate change adaptation and resilience.

