



SUSTAINABLE POVERTY REDUCTION APPROACH - EXPERIENCE FROM VBSP



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Over years, the loan scheme for households who have just newly poverty served by VBSP has helped those especially in remote rural areas improve the quality of life, raising awareness and changing methods of production and business, contributing to sustainable poverty reduction for over 1.4 million households.

OPERATIONAL RESULTS (As of April 30, 2020)

- Outstanding loans for the program reached **VND 36,186 billion** (\$US 1.57 billion).
- 1.4 million households were borrowed loans with the average loan from **VND 33 million/household** (in 2015) to **VND 34 million/household** (in 2019).
- Overdue debt rate is only **0.04 %** of total loan portfolio.

1. SOCIAL AND ECONOMIC IMPACT

a) Improve livelihood for customers

- The loan scheme helps the customers solve the basic and essential problems of life, especially in rural, ethnic minority, mountainous, remote and isolated areas. They use loans to invest in developing production and business, create jobs. As a result, they can get acquainted with bank loans and repayment; improve the level of production and business management, boldly borrow and effectively use loans; raise income, improve living conditions, and escape from poverty sustainably.
- The scheme stimulates the poor and other last-mile populations, including those who have just escaped from poverty to affirm their position in society, making an important contribution to the implementation of the goal of sustainable poverty reduction; new rural construction; building a fair, democratic and civilized society.
- In order to help the poor escape from poverty sustainably, VBSP not only provides loans to poor households, but when they are out of poverty, they still have access to this scheme. This is also the principle of VBSP, which is helping customers escape from poverty to develop economically in a sustainable way, contributing to the sustainability of VBSP.



b) Socio-economic efficiency

- Implementing sustainable poverty reduction and social security.
- Contributing positively to the implementation of the national target program on new rural construction.
- Developing production and business in association with restructuring agriculture and rural economy, raising income for people.
- Protecting national defense, security and rural social order.

2. SOME ACHIEVED RESULTS

During the period from 2015 to 2020, there were over **1.4 million** households escaping from poverty thanks to borrowing loans from VBSP; contributing to help nearly **0.6 million** households escape from poverty completely; attract and create jobs for over **1 million** laborers. The scheme has directly contributed to the successful implementation of the national target program on new rural construction (such as: restructuring, economic development, income increasing, poverty reduction and social security, innovation of production forms, etc.).

3. CLIENT SUCCESS STORIES



Thanks to VND 50 million from Newly Poverty Escaped Households Program, customer Dao Van Ta in Hung Dao commune, Tien Lu district, Hung Yen province converted farm land to fruit trees for a stable income



Mr. Lo Van Hinh in Sop Cop district, Son La province earned VND 100 million each year thanks to investing in raising pigs by VBSP's loans



In January 2019, Ms. Nguyen Hoa's family in My Tan 1 hamlet, Thanh Hai commune, Ninh Hai district, Ninh Thuan province borrowed VND 50 million from Newly Poverty Escaped Households Program for aquaculture equipment