



# Promoting ethnic minority women empowerment via access to VBSP's inclusive finance

**VBSP's inclusive financial schemes have contributed to helping ethnic minority customers develop production, improve their lives and escape from poverty, in which:**

- Over 2 million ethnic minority households escaped from poverty;
- Over 165,000 ethnic minority workers were created (over 17,000 indigenous overseas workers);
- Over 211,000 poor students of ethnic minority households borrowed loans to continue studying;
- Over 1.4 million clean water and sanitation works for ethnic minorities;
- Over 216,000 houses were constructed for ethnic minorities.



Ethnic minorities and mountainous areas account for 3/4 of Vietnam's natural area.

Among 54 ethnic groups, there are 53 ethnic minorities with 14.1 million people, accounting for over 14% of the country's population. Over the past years, VBSP has promptly and effectively implemented credit programs, provided financial and non-financial services to help ethnic minorities living in remote and extremely difficult areas quickly access inclusive finance to invest in production and business development, create jobs, escape from poverty, contributing to sustainable poverty reduction, economic-social development and local political security stabilization.

VBSP has established a grassroot network and appropriate infrastructure with 10,423 mobile transaction points at the commune level and nearly 173,000 community Savings and Credit groups, partnership with 4 local mass organizations in lending process with the operation approach "Transaction right at home and disbursement right at commune". Of which, there are 5,266 commune transaction points and 83,227 Savings and Credit groups in ethnic minority and mountainous areas.



VBSP has been providing a set of various credit products, with more than 20 credit schemes in combination with the national target programs of the government and other lending projects. As of December 31st, 2020, total outstanding loans reached nearly **US\$10,000 million** with nearly **6.5 million** active customers. Especially, over **1.4 million** ethnic minority customers got loans from credit programs at VBSP with outstanding loans of over **US\$2,400 million**, accounting for **24.8%** total outstanding loans at VBSP. Average outstanding loan per ethnic minority household is over **US\$1.7 thousand** while overall average is over **US\$1.5 thousand**.



There are some preferential credit schemes tailored for ethnic minorities at VBSP. They are Extremely disadvantaged ethnic minority households program, Extremely disadvantaged ethnic minority households in Cuu Long river delta program, Support to production land and job change for disadvantaged and poor ethnic minority households; Socio-economic development in ethnic minority and mountainous areas program; Job Creation Program for ethnic minorities living in areas with extremely difficult socio-economic conditions or production and business establishments that employ 30% or more ethnic minority laborers



VBSP's loans are used to do business, create jobs, enhance production and business management, as well as capital management to help ethnic minorities gradually escape from poverty, improve their quality of life, contributing to preventing black credit and society's vices in their areas. Especially, the use of VBSP's financial inclusion service has helped ethnic improve livelihood, individual financial mangement literacy, increase more self-confidence and their position in the society.

The inclusive finance has changed the perception of ethnic minorities. From being inferiority complex and unconfident, they boldly borrow loans to do business. As the result, they gradually improve their quality of life, production and business management, and capital management, contributing to preventing “black” credit in rural and ethnic minority areas.



Currently, VBSP is coordinating with the Committee for Ethnic Minorities to develop the national target program for socio-economic development in ethnic minority and mountainous areas in the period of 2021-2030.

Therefore, VBSP wants to cooperate with international organizations in financial and technical assistant to implement this national target program.

