

Report to HULZA Foundation

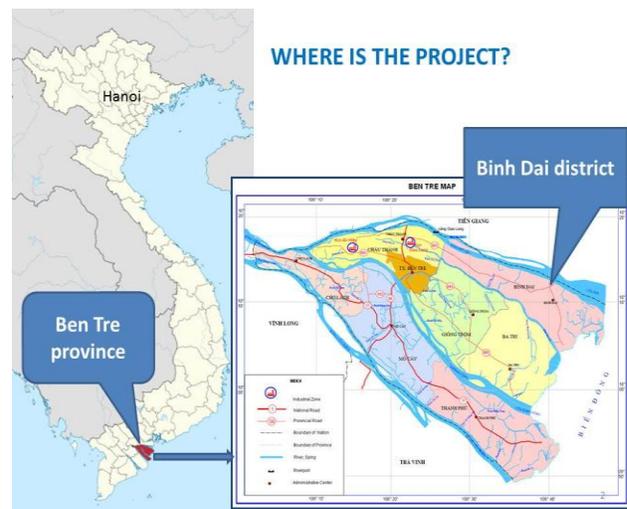
on the disbursement of Hulza support 2016 to MCNV in Ben Tre province, Vietnam

In 2016, Hulza Foundation had funded to the Microfinance project in Binh Dai district, Ben Tre province, Vietnam the amount of Euro 20,000. The funding is through MCNV to the local partner. From this amount, MCNV used Euro 15,000 to support the project to expand to Thoi Lai commune and the remaining Euro 5,000 was added to total principle capital to other on-going communes.

Ben Tre province is a poor province in the Mekong river delta of Vietnam. The main income source of poor people living in rural area is from agricultural production. Rice, fruit trees and animal rearing are the most common livelihoods for the poor and those businesses are heavily dependent on the weather condition. The microfinance project provide micro loans and savings to help the poor women (mostly housewives) in Binh Dai district Ben Tre to invest in small household businesses to make their free time more productive. Currently, this project work in 8/20 communes of Binh Dai district and serve about 1200 active clients.

The drought and saline water intrusion in 2016 had seriously affected to the living of the people living in coastal area in Mekong river delta. Human and livestock lack fresh water for daily consumption. Crops lost due to inability to grow at high saline rate during the dry season from January to June. The needs for big water containers among poor households in this area are big. With about Euro 220 loan, the poor household could build 2 big water containers to retain about 6m³ of rain water for their consumption during dry seasons. Besides, there are needs for alternative livelihood investment as the main crops for families are not secured due to climate change condition.

With the grant from Hulza Foundation to Ben Tre, the project expanded its coverage to Thoi Lai commune. From August 2016, the project management unit and MCNV staff had visited several potential communes in Binh Dai district and we find Thoi Lai commune is suitable because of high poverty rate and Women's Union staff has good capacity for micro finance



management. After completing paper work for expansion, from 2 to 4 of November 2016, the project organise the first training on microfinance project management for commune Women's Union staff and 20 potential credit group leaders. The main training contents include: "credit group facilitation", "book keeping", "members management in the credit groups", "responsibilities and rights of members"... After the training, Thoi Lai commune Women's Union staff became more self-confident on implementing this project.

Some photos (below) of the first training in Thoi Lai commune:



After the training, Thoi Lai Women's Union and group leaders organise communication to poor women about the project and its products and services. Any women want to have micro loan should prepare the application form and a quick business plan on how to invest the loans for productive purposes. The district management unit came to visit each household to appraise the loan applications and decide to give the loan or not.

The first batch of loans to Thoi Lai women was given out in 10th December 2016 to 81 women. Among them, 81 loans is to build water containers, 5 loans for livestock raising and 7 loans for small trading purpose. Total amount of loans to Thoi Lai reached VND 410,000,000, equal to Euro 15,000 from Hulza support. The amount of loan for water container purpose is high because this is the end of rainy season and people is quickly prepare for water retention for the coming dry season. It is envisage that in the coming months, the loans for livestock raising and trading purpose will increase more. In January 2017, there are 3 more members

from Thoi Lai get new loans from the monthly installment payback from previous borrowers, making total 84 clients in Thoi Lai commune.

Project data as of 31st December 2016

No	Project commune	Amount of disbursed loans (VND)	Number of credit groups	Numbers of poor women clients
1	Thoi Lai	410,000,000	9	81
2	Phu Vang	418,000,000	10	103
3	Dinh Trung	908,932,000	17	216
4	Thanh Tri	694,202,000	13	143
5	Dai Hoa Loc	804,241,000	15	197
6	Phu Long	441,016,000	11	121
7	Loc Thuan	816,550,000	16	202
8	Thanh Phuoc	848,953,000	13	201
9	Vang Quoi Dong	448,052,000	10	97
	Total			

The district management unit had visited and checked the use of loans of all members in Thoi Lai commune and found out that all of poor women have invested the loan on the right purposes. They are very happy with the loans because the loans are timely supportive for their families to invest on needy purposes.

Photo below: poor women in Thoi Lai are happy with their new big water containers, which ensure enough fresh water for dry seasons.





Photo below: A poor woman with traditional style water jars for rain water retention. The capacity of jars could not enough for her family for drinking and cooking for one month during the dry season of 5 months.



Photo below: The loan from project helps this woman stock more goods for her shop



Photo bellows: Now I could buy more goats for my household husbandry work



Photo below: the rain water retention of a family in rural are of Ben Tre province. Rain water collected from the roof, channels through pipe system to water containers.



The microfinance project in Binh Dai district started from 2009 with a small funding from MCNV. With effective management, it gains more trust from donors and from donor grants and soft-loans, now it work in 9 communes and has more than 1,300 regular clients who are poor women living in rural area. The project charges the interest rate for the loans at 2 levels: Poor clients pay 0.7% flat interest rate per month and more than poor clients pay 0.9%.

The poor women who get loans from this project was organised in credit groups of 10-15 members, where they can learn new knowledge from extension staff or financial literacy skills. Clients also have saving account with the project, and from this they learn how to save for their future. They also support each other in daily work as well as in paying back their loans. With this advanced system, all the women can pay back their loans and gain more profits from their investments.

Total amount of running capital of this project reach Euro 245,000 by the end of 2016. However, the need for loans is still big among poor people so the project does not have enough capital to provide as loans for needy women. We added Euro 5,000 from Hulza support to the capital for water container loans. As of December 2016, this project provided loans to 290 families to build their water containers.

The support from Hulza is very in time. This helped MCNV microfinance project expand to one commune and provide more loans for water containers in 2016. We do appreciate the support from Hulza Foundation and we look forward for more fruitful cooperation in 2017. The poor women in Binh Dai district would like us to transfer great thanks to you and wish to receive you in Thoi Lai commune in a near future.