

Micro Finance, Tien Lu Vietnam FY17 Annual Update

Project Profile Programme Goal	To promote transformational development through the provision of financial services to help the poor and improve their quality of life
Programme Outcomes #1 #2 #3	To increase the poor's access to capital on a long term basis To enable small businesses to flourish To increase the sustainability of nutrition clubs

Background

World Vision Vietnam's Micro Finance programme helps communities to break the chains of poverty through the provision of micro loans to hopeful entrepreneurs in under developed regions.

Key Performance FY2017 Highlights

217

jobs sustained

17% Households

increase their assets

65% Households

increased their income

294 loans disbursed,
totaling US\$ 148,500

314 children
benefitted

217 Households
accessing loans

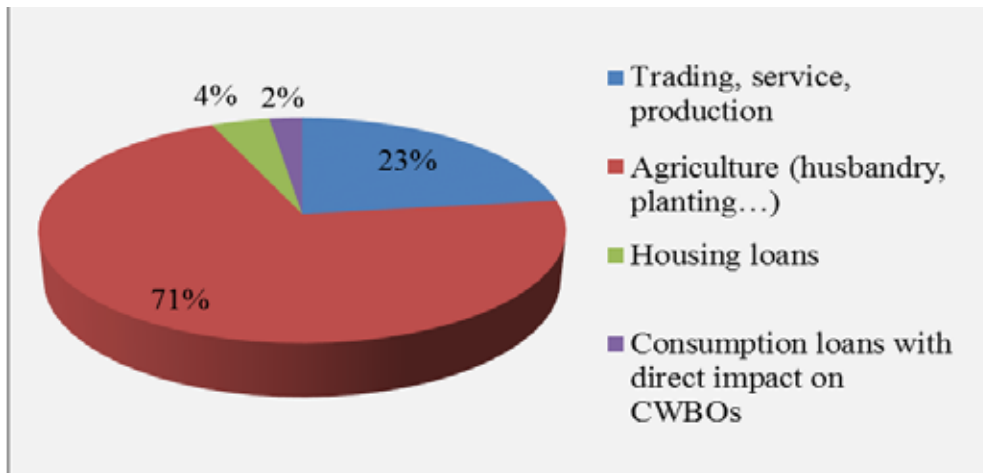
**Enhanced client capacity
in business development**

189 participating in livelihood
training courses



- Training on health care and agricultural related techniques: household budgeting, husbandry (cow-chicken raising technique) & mushroom planting
- 7/10 clusters new and re-opened based on nutrition clubs with 48 members getting loans from MFU.

The clients of MFUTien Lu participated in 2 financial education modules "Save money for emergencies" and "Borrow only what you can afford to repay".



Impact

The majority of loans disbursed served to establish and sustain local agricultural and livestock businesses.

Future Strategies

- Ramp up and duplicate microfinance best practices in nutrition clubs.
- Expand to 2 new communes in Tien Lu
- Conduct financial education to clients to improve their knowledge about household financial management.

Awards from the CitiFoundation/Citi Bank – Vietnam:

- Honoured as one of 3 Citi – Vietnam 2016 Outstanding Microfinance Institutions.
- “Citi – Vietnam 2016 Microentrepreneur of the Year” Lang Chanh MFU.
- “Citi – Vietnam 2016 Achieving Microentrepreneurs” Trieu Phong MFU.



MOST SIGNIFICANT CHANGE

A Family Pillar

“With microfinance loans, my chicken raising business has expanded. It helps me not only to earn more money, but enables me to improve nutrition for my kids and pay for their education. I’m extremely happy and want to thank World Vision supporters for helping me with microloans,” said Mrs Vu (37 years old), who lives with her sickly husband and 3 daughters (13 year-old sponsored child, 7 year old and malnourished 5 year- daughter) in Tien Lu district - Hung Yen.



5 years back, when Mrs Vu gave birth to her 3rd daughter, she earned only US \$44 providing labour in the rice field. This was not enough for basic essentials, like the education fee for her 2 daughters. Her 3rd child was malnourished. When World Vision set up a nutrition club in her village, Mrs Vu joined with the aim of taking better care of her daughters. With knowledge and skills provided by the nutrition club, she expressed her desire for capital to raise pigs and chickens to increase her income and provide food for her family.

In 2015, when microloans were available, she borrowed US \$440. After 1 year, she not only repaid her loan but also earned US \$22 per month from raising 5 piglets. The increased income helped her provide food for her family and cover her elder daughters’ fees for her classes.

“Since my mother borrowed money from MFU for pig and chickens raising, I can afford to pay for my classes in a timely manner. I am no longer embarrassed by delayed payments. Moreover, my brother and sister can eat chicken meat more often instead of waiting for the annual Lunar Tet holiday (Vietnam's Chinese New Year)”, shared Mrs Vu 's 13-year-old daughter.

After the 1st loan cycle, Mrs Vu re-invested the profits and 2nd loan into pig raising. When the price for pigs in this period was sharply reduced, she was advised to quickly switch to chicken raising. Mrs Vu says happily: “The chicken raising business is profitable, and allows me to provide eggs and chicken meat for my family. I intend to use the income to buy a bicycle for my oldest daughter so that she can take her 2nd sister to school”. To date, Mrs Vu has borrowed US \$880 through 2 cycles and her family income increased from US \$67 to US \$ 110. She says, " I hope other women in my village will be able to change their lives with microloans from World Vision”.