



Supporting poor families  
from ethnic minorities  
in the mountains of North Vietnam

VIETNAM

- 97.3 million inhabitants
- 118/189 in the HDI\*
- 64% rural households
- 38% of Dien Bien's population lives below the poverty line

\*Human Development Index



BACKGROUND



A poor and isolated province

Dien Bien is a northwest border province of Vietnam surrounded by mountains. This is the poorest province in Vietnam with 80% of the population from ethnic minorities who mainly relies on farming and animal husbandry. Due to the low educational level, this is also a province where social evils such as drug addiction and human trafficking are noticeable. Poor people living in remote rural areas are less likely to have access to the banks' capital due to their lack of collateral. They are also disadvantaged and vulnerable in life.

MISSION



A social microfinance offering

Anh Chi Em (means *Brothers and Sisters*), a social microfinance programme, was launched in Dien Bien, in 2007, by Entrepreneurs du Monde to support entrepreneurs with very limited income or assets, weak voice in the community or high exposure to natural disasters. Anh Chi Em's team call them "partners" because they consider them as key actors of the social change. To do so, ACE provides loans and savings services adapted with their characteristics, improves their social awareness, technical information and skills.

SDG GOALS



METHODOLOGY



The group of partners, heart of the methodology

ACE promotes strong group ties among members, who meet on a regular basis to save money, repay their loans, take part in trainings and share skills, knowledge and information. There is no jointly financial liability among members, but instead the social link is promoted and strict rules of regular meeting, savings, group leaders election, etc., are required. Furthermore, this structure allows both ACE and its partners to reduce transport costs and enhance their mutual understanding through frequent meetings.

INCUBATION



A solid base

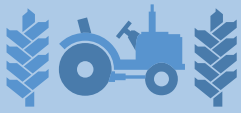
From start-up to independence, the Anh Chi Em team has been supported by the technical team at Entrepreneurs du Monde, working on nine key points: governance, social performance, strategic planning, human resources management, information and management systems, operation management, administrative and financial management, risk management, advocacy and fundraising. Anh Chi Em has reached a 118% operational viability and is now recognized as a Microfinance Programme by the Vietnamese State Bank.



QUANG THI  
DUONG

A serial  
breeder

With my first loan (4 MVND = 153 €), I started a fish livestock and I developed it well. Then, gradually, with the advice of the agricultural technician from ACE, I have expanded my livestock with pigs, chickens and ducks. And I opened a small grocery store at home. I give work to 4 poor people in my village. Thanks to ACE, my economic situation is improving, I have a nice house and I send my children to school!



# 96%

## OF ENTREPRENEURS ARE FARMERS

### FOCUS

#### A more advanced and rigorous model tested and replicated



In 2019, ACE opened a new branch following an innovative methodology

that accumulate experiences from other Entrepreneurs du Monde programmes. It provides thorough training in financial literacy before loan disbursement and requires more rigorous attitude in organizing group meeting. This methodology implemented in the new branch has proven better efficiency and transparency in operations, quality in services and relationships between ACE and its partners. So, the team has gradually expanded this model to older branches.

#### The migration to a new cloud-based MIS

Anh Chi Em, like most microfinance programmes in Vietnam, is using a poor and offline Management Information System. In order to save time and increase transparency and efficiency, Anh Chi Em prepared a migration to a new cloud-based MIS.

#### More practical training for behavior changes



From theory training to behavior change, there is a far distance, especially when it

comes to poor and vulnerable people. Their fear of loss and the uncomfortable feeling coming sometimes with innovations, prevent them from changing many habits, such as the way they treat the waste, grow rice, raise chicken, or save money. To turn a theoretical perspective into real action, to help its partners to develop their potentiality, ACE has implemented demonstrations in the communities, applying value chain approach and leading collective actions with farmer interest groups.



### KEY FIGURES

	Entrepreneurs supported	Disbursed loans	Average loan amount	Outstanding loans	Accumulated savings	Operational viability	No. of employees
2019	4,983	4,743	€ 303	€ 1,298	€ 94	118,5%	39
Objectives 2020	5,400	4,800	€ 317	€ 1,447	€ 96	112%	40

### HIGHLIGHTS



#### Responsible pricing for the poor

With its growth in portfolio, ACE has been able to reduce interest rate and processing fee for all borrowers since beginning of 2020.

By the end of 2019, the Anh Chi Em's loyalty rate raised at 87.3% and has continued to progress positively during 2020, which reflects Anh Chi Em's quality of services and the overall level of satisfaction from its beneficiaries.



#### Two specific projects in craft and agriculture

ACE has collaborated with TrendEthics to empower its partners by making their traditional woven fabrics marketable and sold, so that they can preserve their culture while improving their income without using any chemical.

Besides, ACE has implemented a project of rice cultivation that aims to improve the awareness and practice of cultivation using pH control as a way to improve the appropriateness of land to make rice plant stronger and grow better. The project is a success. It has not only improved income for the farmers (through increase of yield and decrease of cost on fertilizer and pesticide), but also raised awareness on practices of sustainable agriculture and environment protection. In 2020, ACE will conduct waste transformation and organic cotton plantation projects.



#### Advocacy in microfinance

Despite its important role, microfinance in Vietnam has not been developed to its full potential. Coordination is the critical solution which requires various stakeholders to be involved in promoting favorable conditions for microfinance. In 2019, Anh Chi Em organized a workshop explaining social microfinance through ACE's practices and impacts to local authorities at different levels.



#### Social performance management

Every year, ACE team analyses all the data gathered from its partners and drafts a social report. Early 2020, with the technical support from Entrepreneurs du Monde, ACE has also run a satisfaction survey with its beneficiaries. The results are very positive and demonstrate that:

- savings product are rated 4.3 out of 5;
- 79% partners considered that ACE non-financial support is better than other lenders;
- 100% partners are interested in training and in the innovative methodology model branch.

### PARTNERS



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ON THE WEB

- > www.entrepreneursdumonde.org
- > ACE
- > Testimonies

MORE DATA