

QUANG NGAI RURAL DEVELOPMENT
PROGRAM (RUDEP) - PHASE 2

Evaluation Report - VSCFs in 3 Communes in
2003



VIETNAM-AUSTRALIA

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URS Sustainable Development
in association with Kellogg Brown & Root and
World Wide Project Management Services
Project Managers and Consultants
Adelaide Australia

DONOR AGENCY

AusAID

Australian Embassy

8 Dao Tan Street, Ba Dinh District, Hanoi, Viet Nam

Ph: +84 4 8317754/Ext 175 (Project Officer), Fax: +84 4 8317711

LEAD COUNTERPART AGENCY

Department of Planning and Investment

96 Nguyen Nghiem Street, Quang Ngai Town

Quang Ngai Province, Viet Nam

Ph: +84 55 825701

PROGRAM MANAGEMENT UNIT

No 4 Pham Van Dong Street, Quang Ngai Town

Quang Ngai Province, Viet Nam

Ph: +84 55 816261-6, Fax: +84 55 816260

AUSTRALIAN MANAGING CONTRACTOR

URS Sustainable Development

25 North Terrace

Hackney SA 5069

Ph: +61 8 8366 1000, Fax: +61 8 8366 1001

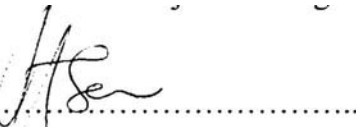
Program
Manager:



Dee Hartvigsen
International Projects Manager

URS Australia Pty Ltd
25 North Terrace, Hackney
South Australia 5069 Australia
Tel: 61 8 8366 1000
Fax: 61 8 8366 1001

Program
Director:



Ted A'Bear
Vice President
Sustainable Development

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Annex 1: Questionnaires

Acronyms

VSCFs	Village Saving and Credit Funds
RUDEP	Quang Ngai Rural Development Program
M&E	Monitoring and Evaluation
MEGO	Monitoring and Evaluation Officer
VBARB	Vietnam Bank for Agriculture and Rural Development
WU	Women Union

1 Introduction

The Quang Ngai Rural Development Program (RUDEP) is being implemented within Quang Ngai (QN) Province in the central region of Vietnam and its goal is to contribute to rural development, governance and poverty reduction in selected communes in QN Province. At present, there are six communes belonging to six Program districts. Son Hai, Son Ha District, Tinh Tho, Son Tinh District; Duc Phong, Mo Duc District; Nghia Tho, Tu Nghia District; Hanh Phuoc, Nghia Hanh District; Pho Chau, Duc Pho District. The Program purpose is to empower poor households (HHs) in selected communes in QN Province to improve livelihoods sustainability through increased incomes within the risk framework of poor people. The primary beneficiaries from the RUDEP will be the poor households and poor household groups in each selected commune. The Program is based on three key elements: Participation, Focused Capacity Building and Savings and Credit facilities.

The QNRDP has been planned in three phases:

Phase 1 - Program design and initial capacity building (1 year completed October 2002)

Phase 2 - Program implementation in target communes (5 years, starting in October 2002)

Phase 3 - Expansion of successful activities (4 years)

2 Brief VSCFs Information

At the time of evaluation and also in the first year of Phase 2, 5 VSCFs were established in 2 program communes. There were two VSCFs in Duc Phong commune (1 in Lam Ha and 1 in Thach Thang hamlet). There were two VSCFs in Tinh Tho commune (1 in Tho Dong and 1 in Tho Tay hamlet).

3 Method of Evaluation

An evaluation of the VSCFs was done to collect information on the attitude, knowledge, awareness of members and practice in VSCFs.

The two main tools used during the evaluation were questionnaires and interviews. The questionnaire was structured in 4 main parts with 4 questions (see annex for detail). The first question concentrates on people's understanding of VSCF's existence. The second question is to check people's knowledge of purpose of VSCFs and in this part there are two open questions that people can raise their own thoughts, ideas and knowledge regarding VSCFs. The next question is used to evaluate level of participation of membership in VSCFs. The last question is about people's perception of their capacity building in financial management. All questions have gender identification

When people were at their VSCF monthly meetings, program officers interviewed them. Interviewees were VSCF members and interviewers were MEGO, M&E Assistant and sometimes DDOs and FCO.

Seventy-one people including twenty-seven women out of one hundred and twenty-four members in all VSCFs were interviewed, and people interviewed were not in proportion to the gender comparison

Table 1: Information on VSCFs and interview status

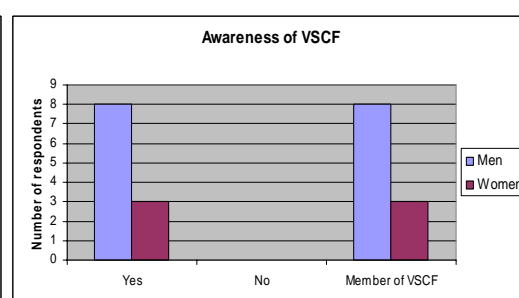
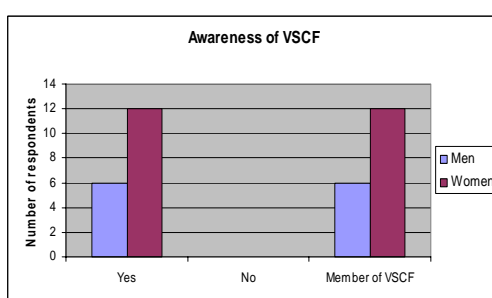
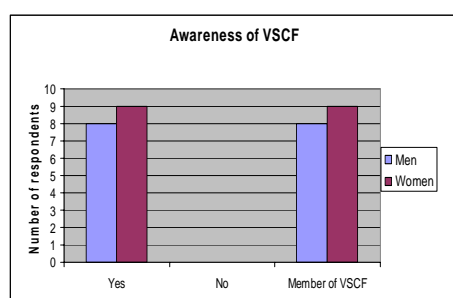
Commune	Tinh Tho			Duc Phong		Rudep
	Tho Trung I	Tho Dong I	Tho Tay I	Lam Ha I	Thach Thang I	Total
VSCF status						
Total member	25	25	25	27	22	124
No of female member	11	19	8	11	9	58
% female member	42	75	31.3	40	40	47
Interview status						
Total interviewee	12	18	11	11	19	71
No of female member interviewed	9	12	3	4	8	27
% female interviewee(female interviewee/total member)	36	48	12	15	36	22

4 Result and General Discussion

The result will be presented according to 4 main parts structured in the questionnaires.

4.1 People's Awareness about VSCFs

VSCF Tho Trung I (8 men, 9 women) VSCF Tho Dong I (6 men, 12 women) VSCF Tho Tay I (8 men, 3 women)



VSCF Lam Ha I (7 men, 4 women)

VSCF Thach Thang I (11 men, 8 women)

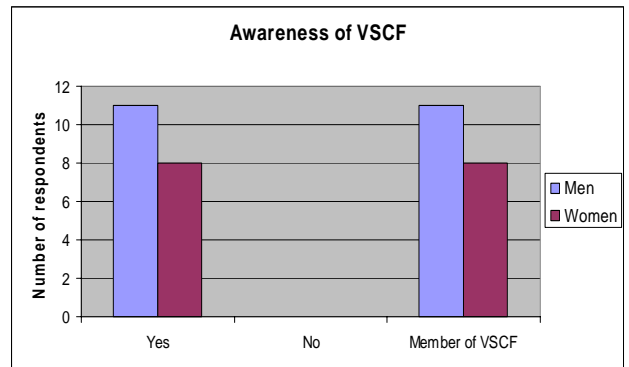
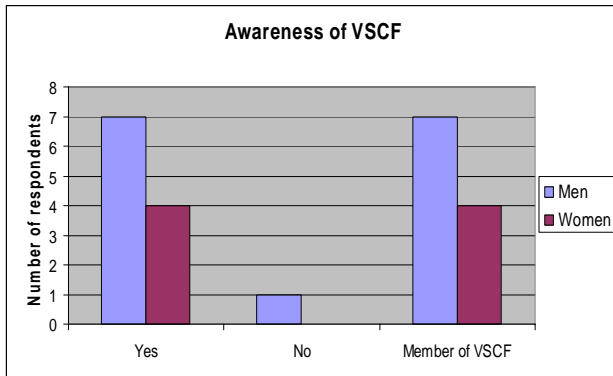


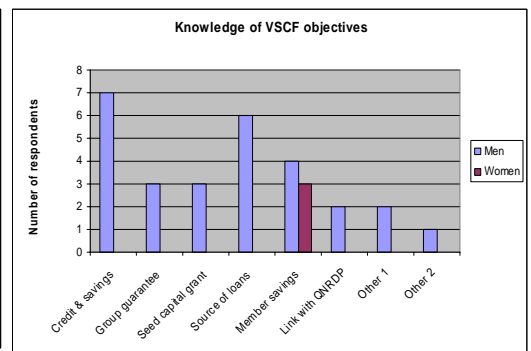
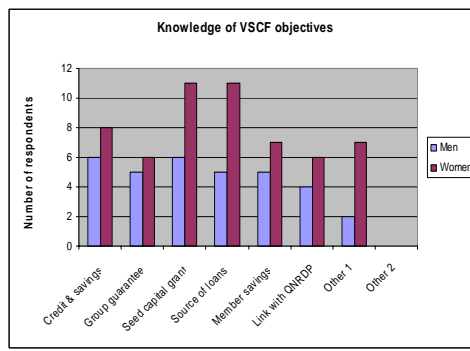
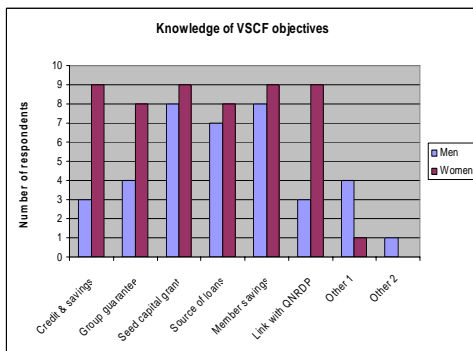
Table 2: Total interviewee

Commune	Men	Women
Tinh Tho commune	22	24
Duc Phong commune	18	9
Total	40	33

The five graphs also show that all interviewee know VSCF established with support from RUDEP because they are all VSCF members (except 1 person).

4.2 Knowledge of VSCFs Objectives

VSCF Tho Trung I (8 men, 9 women) VSCF Tho Dong I (6 men, 12 women) VSCF Tho Tay I (8 men, 3 women)



VSCF Lam Ha I (7 men, 4 women)

VSCF Thach Thang I (11 men, 8 women)

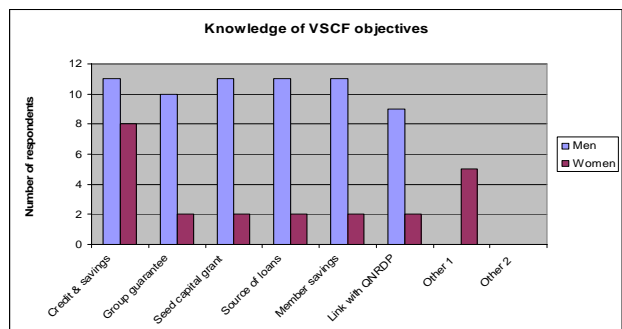
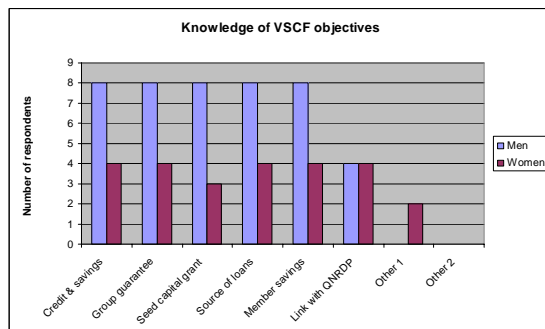


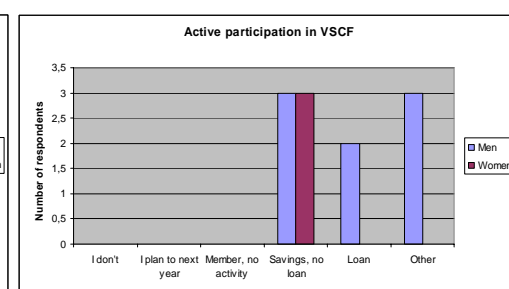
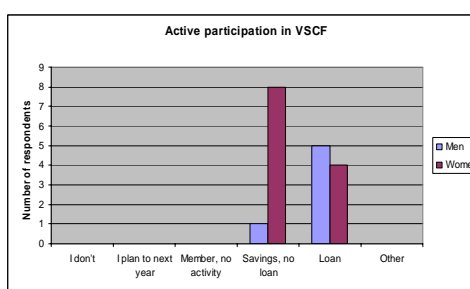
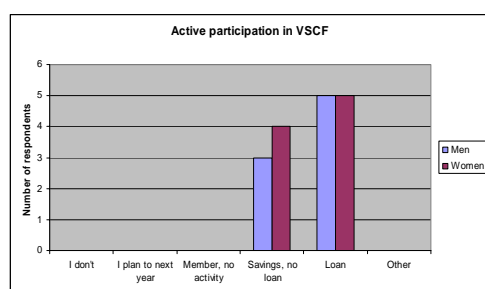
Table 3: Summary result from 5 graphs

	Objectives	Men's answer (40)	Women's answer (33)
1 st	Credit & saving	35	29
2 nd	Group guarantee	30	20
3 rd	Seed capital fund	41	25
4 th	Source of loan	37	25
5 th	Member of saving	36	24
6 th	Link with RUDEP	22	21

The graphs and table 1 indicate that there was little difference between the men and women in their answers. To the men the third objective ranked first and to the women the first objective ranked first place. And to the women, the third objective was at second place. This implies that women understood the objective of VSCFs more deeply than men because RUDEP activities concentrated on poor households in order to help them access credit and savings for income generation activities. There were few answers from men and women for the 6th objective. The second objective - group guarantee- was acknowledged by 66% of interviewees and in fact when being interviewed, people could not answer immediately and they could not define peer pressure but in practice they were following it. The evidence was that there was some VSCFs members borrow money from other credit institutes such as: VBARD and WU to pay VSCF when their loans were due. From the practice at VSCF monthly meetings we saw that if some members did not return money due, she/he was urged by the other person in the same VSCF to pay money.

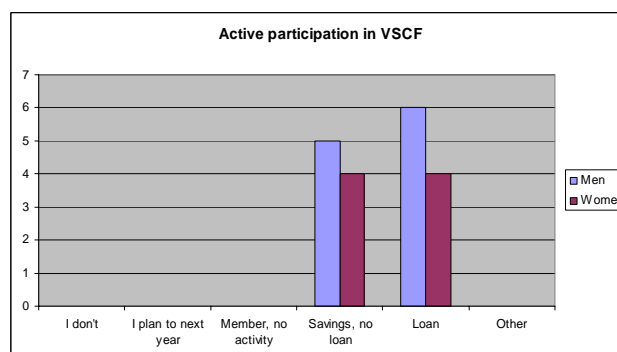
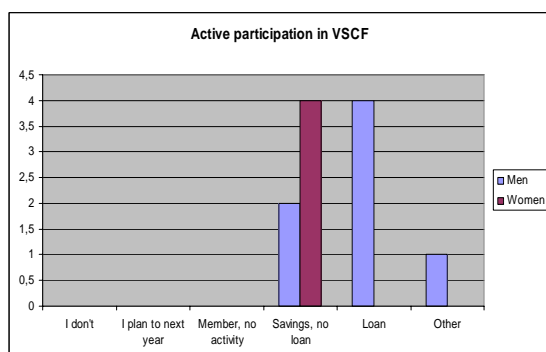
4.3 Active Participation in VSCFs

VSCF Tho Trung I (8 men, 9 women) VSCF Tho Dong I (6 men, 12 women) VSCF Tho Tay I (8 men, 3 women)



VSCF Lam Ha I (7 men, 4 women)

VSCF Thach Thang I (11 men, 8 women)



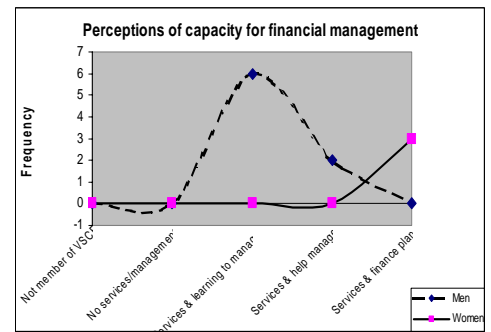
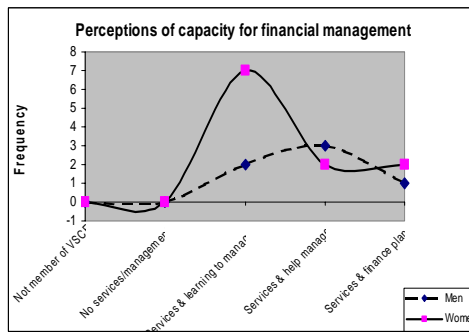
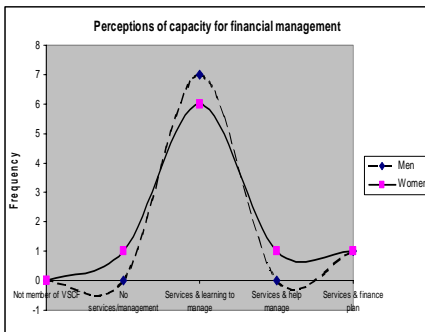
Graphs of Tho Trung, Tho Dong and Lam Ha shows that in VSCF the numbers of women who save money and do not take loans is more than men. Only in Tho Tay is this number equivalent and in Thach Thang it is smaller. Only in Tho Trung do men and women have equal access to loans. In Tho Dong, Tho Tay and Thach Thang more men accessed loans than women. Especially, in Lam Ha only men accessed loans, there were no women.

4.4 Capacity of Member

VSCF Tho Trung I (8 men, 9 women)

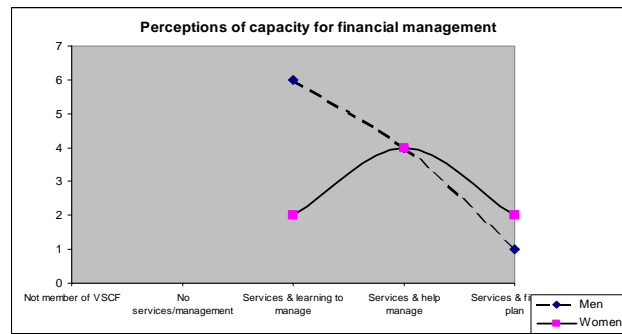
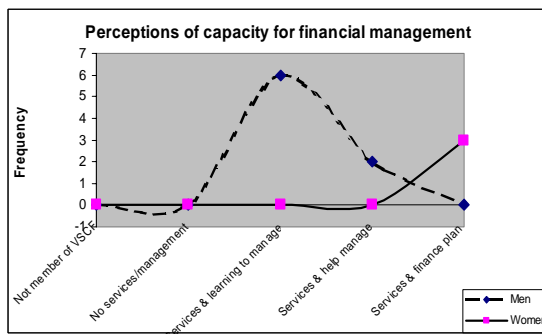
VSCF Tho Dong I (6 men, 12 women)

VSCF Tho Tay I (8 men, 3 women)



VSCF Lam Ha I (7 men, 4 women)

VSCF Thach Thang I (11 men, 8 women)



Most graphs show that majority of members have already accessed VSCF funds and they were learning to manage finances. Only in Tho Tay and Lam Ha do most women think that through VSCFs, they can access credit services and they can make finance plans and manage finances.

5 Main Finding from Each Commune

5.1 Gender

There was not a gender balance in the participation of VSCF members. The number of men who accessed loans was more than women.

5.2 Capacity

There was a difference in the level of perceived capacity between VSCF members. The awareness tended to be divided into two levels. The first level was that VSCFs improved access to credit services and VSCFs helped people learn financial management (Tho Dong, Tho Trung and Thach Thang). The second level was that people could access credit service through VSCFs and also they could make a financial management plan for income generation activities. The majority of women in Tho Tay (100%) and Lam Ha (75%) belonged to the second level.

5.3 Marketing

This is an important element affecting the benefit of people, thus it is attractive to many ideas from VSCFs members. There are several main problems:

- People cannot determine the price of their cattle. They absolutely depend on traders.
- Traders always force prices down, because they know who are members of VSCFs and who have debts due. People could not wait until their cattle sold out because they needed to repay VSCF loans
- People could not find a market for their products themselves.

5.4 Peer Pressure

When interviewed people did not understand the term “peer pressure”. In fact peer pressure contributed much to the success of VSCF. In rural communities, the relationship between people was partly based on trust relationship. If one member in VSCF did not pay a due debt, the other would immediately hasten him because. most people knew that the operation of their VSCF was mainly based on trust relationship

6 Lesson Learnt

6.1 Gender

Due to the imbalance between men and women in the access to loans, group discussion should be done in Lam Ha and Tho Tay to find out the reasons for that.

6.2 Awareness

According to the result in part No 5, women in Tho Tay and Lam Ha seemed to know everything while in the other VSCFs people were learning financial management. The difference should be identified clearly because all VSCFs were training by the same FCO with the same content. There should be a group discussion with member in these VSCFs (Tho Tay, Lam Ha) to check again whether the result was correct or not and suppose that it was right we would try to seek for the main reasons and take them as a lesson that we might adopt to other VSCFs.

6.3 Business Plan

People in VSCFs are learning financial management after they access VSCFs. In the future, they need support with the preparation of business and financial plans.

6.4 Marketing

The provision of market information in each VSCF should be improved with RUDEP support. Initially we can help them to collect the information of slaughterers in Quang Ngai and other provinces nearby. Also at first we may need to introduce them to sources of market information when people become familiar with their work they can do this themselves.

People can make a plan for their animals. If about 10 families sell cattle at the same time, big traders will be able to come to collect products.

6.5 Techniques

The monthly VSCF meetings are a good opportunity for local people to meet and share information, experience, and their understanding regarding cattle husbandry. They should be encouraged to discuss and share information regarding animal husbandry.

Annex 1

Questionnaires

Annex 1: Questionnaires

Pilot evaluation of Village Savings & Credit Fund (VSCF)

Objectives of Village Savings & Credit Fund

- Facilitate low income household's access to financial services
- Support from QNRDP to implement income generation activities
- Build capacity for financial management at all levels (household, village and commune)
- Improve economic sustainability at all levels (household, village and commune)

Structured interview

1. Did you know that there are VSCF in Tinh Tho village supported by the QNRDP?

Yes _{1.1} No _{1.2}

2. What is the purpose of the VSCF?

- A group of low income households who wish to obtain credit and saving services, mainly to carry out their income generation activities
_{2.1}
- Members provide group guarantee and apply peer pressure within the group to ensure repayment
_{2.2}
- QNRDP grant each VSCF an amount of seed capital
_{2.3}
- Members of VSCF provide VSCF members with loans
_{2.4}
- VSCF members must deposit regular savings as their capital
_{2.5}
- VSCF groups are established around the formation of QNRDP activity groups
_{2.6}
- Other _____
_{2.7}
- Other _____
_{2.8}

3. How do you participate in the VSCF?

- I don't
_{3.1}
- I don't yet but plan to this year
_{3.2}
- I am a member, but don't save or have loans
_{3.3}
- I am a member and have savings, but no loan yet
_{3.4}
- I am a member with a loan (VND _____ over _____ months)
_{3.5}
- Other _____
_{3.6}

GAS Questionnaire

4. What is your perception of your capacity for financial management?

I am a member of a VSCF, it gives me access to all the financial services I need, and I now have a clear plan for managing my finances to generate income		4.5
I am a member of a VSCF, it gives me access to financial services and it helps me manage my finances.		4.4
I am a member of a VSCF, it has improved my access to financial services and I am learning how to manage my finances.		4.3
I am a member of a VSCF but it has not changed my access to financial services or helped me manage finances better.		4.2
I am not a member of a village savings and credit fund.		4.1

Man

Woman

Date:

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