



# **Final Report**

## **Financial Linkages for Inclusion – Remote Ethnic Minorities (FinLINK)**

***July 2015 – March 2018***

*Submitted by CARE Vietnam to Visa  
with sincerest thanks for your partnership and generous support.*



## PROJECT SUMMARY

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### Financial Linkages for Inclusion – Remote Ethnic Minorities (FinLINK)



#### PROJECT LOCATION

Dien Bien Province, Vietnam



#### IMPACT POPULATION

Thai ethnic minority group



#### PROJECT DURATION

July 2015 - March 2018



#### INVESTMENT

\$325,000



#### VILLAGE SAVINGS & LOANS ASSOCIATIONS

829 women directly helped via 31 VSLA groups



#### FINANCIAL LITERACY & BUSINESS SKILLS

829 women gained knowledge on financial literacy

799 women and 12 men gained knowledge on business skills



#### LINKED GROUPS

Six groups with 172 women piloted the Vi Viet e-wallet

## 1. EXECUTIVE SUMMARY

CARE's partnership with Visa in Vietnam has allowed us to implement one of the country's first initiatives on financial inclusion for ethnic minority women based on a digital technology platform. Over the last three years, Financial Linkages for Inclusion (FinLINK) has directly benefited 829 Thai women and indirectly 3,316 members in their community. Built upon CARE's long experience with savings groups, FinLINK has strengthened the village savings and loan association (VSLA) model and proved it is a critical first step to build financial inclusion for poor people. The project placed a strong emphasis on supporting VSLA members in financial literacy and basic business management skills. In order to link ethnic minority women to formal financial services, CARE entered into a partnership with Lien Viet Post Bank to customize the Vi Viet e-wallet and piloted it in six selected VSLA groups. Although the pilot was short, it has been recognized by the community and project partners as a valuable experiment on digital financial services for remote ethnic minority women. From the pilot execution, significant learning has been drawn to inform CARE, Lien Viet Post Bank and others in future programming on financial inclusion in Vietnam.

The end-of-project evaluation has highlighted some important impacts. These include improved economic status, improved understanding of finances as well as increased self-confidence and decision-making of ethnic minority women. Due to the project support, ethnic minority women know how to save money and manage their families' finances. This has led to their families being able to improve their health, the educational status of their children, etc. Among the participating women, 85.5 percent demonstrated that their families' income improved thanks to savings and loans practices in the groups. Women VSLA members have gained more confidence and are better able to manage their household economics. This has contributed to a change in power dynamic within families, especially between wives and husbands, giving women more voice and expression. FinLINK has also connected women to each other, strengthened their solidarity and improved their status in relation to the broader community.

The partnership with Lien Viet Post Bank was among the most important outcomes of the FinLINK project. A share-valued approach has been well demonstrated through a fast-moving process of identifying Vi Viet e-wallet as the linkage solution, getting VSLAs ready for pilot and the pilot execution. While the two partnership signatories are CARE and Lien Viet Post Bank, this connection highlights a broader partnership with Visa and Center for Community Development (CCD) on financial inclusion for ethnic minority women.

During the pilot, 172 women from six VSLA groups tested the e-wallet and used it to make deposits, access loans and use other services offered by the wallet. Within four months of testing, 2,151 transactions were conducted via Vi Viet with a total value of 396,527,226 Vietnamese dong (US\$18,024). While it is too early to draw conclusions on the impact of Vi Viet, we have gained some key lessons including the need for: 1) an ecosystem/merchants' network in place for a successful pilot; 2) a stronger link between wallet usage and income generation/business development activities; and 3) better and coordinated support from the bank's local staff and technology knowledge for end users.

As Vietnam's National Financial Inclusion Strategy is under development, and given the potential of making a stronger business case on financial inclusion for ethnic minority women, we recommended the continuation of this project in Vietnam. The second phase will focus on addressing the challenges above as well as further leverage the existing partnership with Lien Viet Post Bank and other project partners.

## 2. PROGRESS AND IMPACT

### 2.1. PROJECT OVERVIEW

**Project goal:** To increase remote ethnic minority women's access to formal financial products and services to increase their financial inclusion.

**Project objectives:**

- Sustainable financial linkage solutions are established for the VSLA members
- Financial and business skills of the VSLA members are developed
- VSLA members have achieved increased access to resources

**Project outcomes:** Economic, social and business outcomes

**Key project activities completed:**

- Assessed VSLAs' readiness for linkage with formal financial institutions using CARE's Maturity Assessment Tool;
- Conducted research on attitudes and behaviors of VSLA members on spending and savings, and market demand versus supply assessment;
- Developed financial literacy and business management training modules;
- Delivered batches of training on financial literacy and business management with VSLA leaders and members, along with refresher trainings;
- Selected Lien Viet Post Bank as the financial institution partner and the Vi Viet e-wallet as the linkage solution;
- Conducted interactive meetings/workshops with Visa, the Lien Viet Post Bank head office and Dien Bien branch to customize the e-wallet for VSLA groups;
- Selected six VSLAs to pilot the e-wallet and equipped members with smart phones and internet connections;
- Trained 172 members from six groups on Vi Viet, technological literacy and internet usage;
- Held frequent meetings between CARE, Lien Viet Post Bank and CCD to support the pilot and capture learning; and
- Conducted the final evaluation with documented lessons learned and next steps.

### Key Outcomes

- **31 VSLA groups** strengthened and mature for linkage
- **829 ethnic minority women** supported directly and **3,316 community members** indirectly
- **811 women and men** empowered through financial literacy trainings
- **Six women** became VSLA village agents/key trainers
- **172 women** joined the pilot of Vi Viet e-wallet

## 2.2. ACHIEVEMENTS AGAINST SET OBJECTIVES

### Objective 1: Sustainable financial linkage solutions are established for the VSLA members

Among 46 VSLAs established in Dien Bien Province by CARE and CCD, 31 groups in the project location quickly became more mature and expressed their needs to access to formal financial services. A maturity and need assessment was conducted to better understand actual needs of ethnic minority women and identify the opportunities for linkage. The assessment showed



that all 31 VSLAs were mature enough for linkage. Among those, several VSLAs already deposited money in the bank. Although VSLAs have high demand for formal financial products, commercial banks operating in project area were not fully aware of these groups as their potential customers. In order to develop the linkage solution, it is critically important to work with a banking partner who has shared values with CARE in serving rural ethnic minority customers.

After careful consideration of a number of banks operating in the location, based on a comprehensive assessment of potential partners, CARE selected Lien Viet Post Bank, which has an extensive network in rural areas and an available digital service (Vi Viet e-wallet). Its vision and market strategy is also well aligned with the project focus. After various discussions, field visits and preparatory meetings, on September 28, 2017, Lien Viet Post Bank and CARE officially entered into a Memorandum of Understanding on a joint pilot which supports ethnic minority women with access to formal financial services through Lien Viet Post Bank's Vi Viet e-wallet. For Lien Viet Post Bank, the pilot has helped increase outreach to rural remote customers, developed the Vi Viet distribution channel and sent out a positive message on financial inclusion for ethnic minority women in line with the organization's "Bank of Everyone" strategy. The pilot is also a

valued complement for the initiative “Vi Viet – an innovative financial solution for Vietnamese women” implemented by Lien Viet Post Bank and co-funded by the UN Capital Development Fund since the end of 2016. The pilot provided good learnings and directly contributed to the bank’s ambition to have 500,000 women financially included by 2018 via Vi Viet e-wallet.

### **Objective 2: Financial and business skills of the VSLA members are developed**

As preparation before access to formal financial services, the 31 selected VSLAs still needed further financial education. Based on this need, CARE adapted existing financial literacy documents to develop a training package that covers the basics of savings, budget management and loans. This training was designed into **four basic modules** in a two-day training. A complementary business skills training followed as a way for VSLA members to apply their financial management skills.

To use local resources and build the capacity of Thai women, CARE took the approach of providing training of trainers to VSLA leaders and key trainers. **Six key trainers** from different VSLAs were selected and trained to be able to support other VSLA leaders to roll out the training at bi-monthly VSLA meetings. Each financial literacy module was shared in one meeting to maximize the attendance of VSLA members. While local women took the key roles in conducting trainings, CARE and CCD provided coaching and support when needed.

### **Objective 3: VSLA members have achieved increased access to resources**

Through the linkage solution, VSLA members are able to access the Vi Viet e-wallet for the group (shared ownership), the Vi Viet e-wallet for individual members, and group savings accounts linked to group e-wallets. Through Vi Viet, women can deposit money, make peer-to-peer transfers and use existing services such as mobile phone top-ups, utility bill payments, insurance premium payment and online shopping.

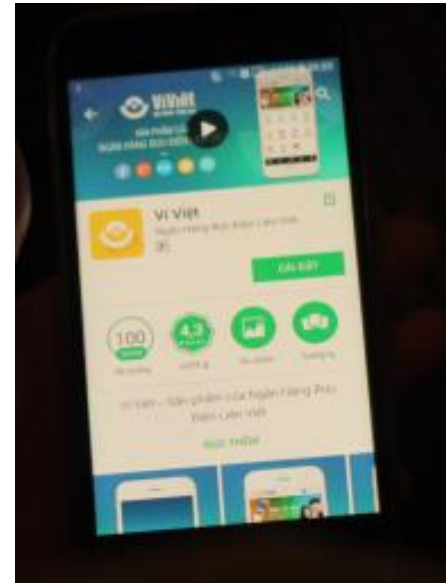
In order to maintain the VSLA structure, Lien Viet Post Bank introduced three one-time passwords to mimic the three keys of the lockbox. Money only can be transferred from the group e-wallet to individual ones when three members enter the three passwords.



*“At first, I was afraid that it would be difficult to use Vi Viet and I would lose my money. However, after the training, I am now able to use the app. I can top up my mobile phone without having to go out to buy a phone card.” - Ms. Lường Thị Nhung, VSLA Cỏ May, Hạ Village, Thanh Nưa commune.*

*"When transferring money, I really like the QR code transactions. We just need to put two mobile phones close together. It is so easy and high-tech!"- Ms. Lò Thị Hường, VSLA Mây Trắng, Tâu village, Thanh Nưa commune.*

Within the first four months of the Vi Viet pilot in VSLAs, some members are able to take advantage of these additional resources. Apart from using Vi Viet to deposit and take loans from the group, ethnic minority women also transferred money from their e-wallets to local bank accounts, topped up mobile phones and made many person-to-person transactions. After the first step of access to savings, Lien Viet Post Bank will offer micro-loans for the groups as well.



### 2.3. ACHIEVEMENTS AGAINST SET OUTCOMES

No.	Level of Measurement	Indicator	Target vs. Actual (Number/Percentage)	Means of Verification
<b>Social Outcomes:</b> <ul style="list-style-type: none"> <li>- Develop financial skills (agency)</li> <li>- Develop the ability to make financial decisions (relations)</li> <li>- Create access to product/service opportunities (structure) needed to empower women financially</li> </ul>				
1.1	Output level	% of target women reporting more security and less concern over financial transactions	Target: 80%	Questionnaires
			Actual: 93.5%	
1.2		# of women who completed financial literacy training	Target: 600 (20 x 30 = 600)	Activity tracking/report by CARE staff and Center for Community Development (CCD) staff.
			Actual: 829	
1.3	Outcome level	# of women who completed business management training	Target: 600 (20 x 30 = 600)	Activity tracking/report by CARE staff and CCD staff.
			Actual: 811 (799 women and 12 men)	
1.4	Outcome level		Target: 80%	



No.	Level of Measurement	Indicator	Target vs. Actual (Number/Percentage)	Means of Verification
<b>Social Outcomes:</b> - Develop financial skills (agency) - Develop the ability to make financial decisions (relations) - Create access to product/service opportunities (structure) needed to empower women financially				
		% of women reporting increased financial literacy skills	Actual: 75%	Pre- and post-training evaluation; Quick discussions with key trainers.
1.5		% of target women reporting increased economic decision-making at home	Target: 80% Actual: 90% <sup>1</sup>	Questionnaire
1.6		% of women reporting increased business management skills	Target: 80% Actual: 29.8% women develop the business plan after training	Questionnaire
<b>Business and Economic outcomes:</b> - Whether and by how much the intervention provides sustainable access to economic opportunities - Increased savings and income (agency and structure)				
2.1	<b>Output level</b>	# of women becoming village agents	Target: 15	Interviews with VSLA members
			Actual: 6	
2.2		# of new VSLAs established by village agents	Target: 4	Interviews in midterm and end-line evaluation
			Actual: 4	
2.3		# of new ethnic minority women joining VSLAs	Target: 125 (5 group x 25 members)	Review of VSLA minutes
			Actual: 72 <sup>2</sup>	
2.4		# of group bank accounts established	Target: 20	Review of bank records
			Actual: 6 group Viet e-wallet accounts were established	
2.5		# of individual bank accounts established	Based on solution	Review of bank records
			Actual: 172 individual Viet e-wallet accounts were established	

<sup>1</sup> Including “wife” and “both wife and husband” as the persons making the final decision in the family.

<sup>2</sup> 72 new members joined the VSLAs groups and 30 members left the groups during the duration of FinLINK. There were 835 VSLA members as of March 2018.



No.	Level of Measurement	Indicator	Target vs. Actual (Number/Percentage)	Means of Verification
<b>Social Outcomes:</b> - Develop financial skills (agency) - Develop the ability to make financial decisions (relations) - Create access to product/service opportunities (structure) needed to empower women financially				
2.6		# of quarterly transactions	Based on solution that will be defined in the later stage of the project Q4/2017: 1,581 Q1/2018: 570	Review of bank records
2.7		# of quarterly transaction by volume	Based on solution that will be defined at a later stage of the project QIV/2017: 335,503,000 VND QI/2018: 61,024,226 VND	Review of bank records
2.8		# of quarterly transactions by types	Based on solution that will be defined in the later stage of the project From/to group wallet Q4/2017: 1,548 Q1/2018: 508	Reviews of bank records
2.9		% increase in the average income of target women	80% About 65% reported an increase About 27% reported income remained the same About 8% reported reduced income	Questionnaire
2.10		% increase in average quarterly household savings	80% Actual: 62.1% of interviewees said that they have increased their savings	Questionnaire
2.11		Increase in the number of assets purchased by women for business/ education purposes (investment)	Actual: 29% reported spending money on investment. Of these, 21.2% reported that the wife made the final decision 66.7% reported that both the wife and the husband made the final decision	Questionnaire
2.12		# of new customers for bank or	172 new Vi Viet accounts in 6 piloted groups.	Testimonies from bank, microfinance institution and mobile network

No.	Level of Measurement	Indicator	Target vs. Actual (Number/Percentage)	Means of Verification
<b>Social Outcomes:</b> - Develop financial skills (agency) - Develop the ability to make financial decisions (relations) - Create access to product/service opportunities (structure) needed to empower women financially				
		microfinance institutions and mobile network partners		operator partners reporting increased interest in investing in new financial inclusion solution

### 3. PROJECT EVALUATION

#### 3.1 RELEVANCE

FinLINK is highly relevant to CARE's programming focus on empowerment of remote ethnic minority women. It was built on the existing VSLA network and long-term partnership with CCD in Dien Bien Province. VSLA is considered a powerful platform for financial inclusion. Most members acknowledge the benefits of VSLA including savings, loans, financial literacy training, Vi Viet services, mutual funds and an invaluable space to exchange information and develop social capital. Women members reported an increase in their confidence after joining the groups. They are able to get loans without collateral and complex paper procedures. When asked, 100 percent of respondents reported being satisfied being members of the VSLA groups. Among them, 79.8 percent stated that they were extremely satisfied.

The trainings in financial literacy and business skills were positively received by all VSLAs. Of special note is the financial literacy training, which has been practically applied by most of the members. The training in business skills, though relevant and accepted, could be made even more relevant by first focusing on members already doing businesses and later expanding it to others who desire to pursue new businesses.

The electronic wallet, Vi Viet, is truly remarkable and innovative given the changing face of financial transactions. The pilot is highly relevant. However, as with any new technology and the adoption time it requires, the wallet also needs its own adoption cycle. Therefore, not unexpectedly, lockboxes are still being used by those groups that have used the e-wallet either completely or partially. Many of them still find it inconvenient to keep/transfer money through the e-wallets, because they cannot easily "cash in and cash out" without support of staff from CCD and the Lien Viet Post Bank branch.

#### 3.2 EFFECTIVENESS

The project was rated effective by an external consultant in achieving most of the targeted outcomes. In terms of the number of people benefited, the outcome indicators and targets in

the metrics were largely achieved though some activities were designed preceding the actual demand of project participants. FinLINK has achieved positive social outcomes including increased women's confidence and satisfaction in financial management. The project has helped women build their awareness and skills in spending, savings and investment, with 98.4 percent saying they have started to set savings targets after the training, and 62.1 percent making quarterly savings as targeted. VSLA members also have enhanced understanding of business management although the implementation of the business activities is still very limited.

The women's ability to make final decision on key domestic activities has changed compared to before 2015. In all the major activities related to business and production, the percentage of women who make final decisions in their households is higher than that of 2015. In regard to spending on daily life and production, both the husband and wife decide on most of the spending. The proportion of households where wives make decisions on spending for other activities such as food and drink, education, health care, electricity and water is far higher than that of households where husbands make decisions.

Across all VSLAs under FinLINK, there was a change in household income. However, the income increase was not significant because there are not yet powerful livelihood-based interventions that would potentially impact the household economy of the VSLA group members.

A legal barrier was raised in connection with Lien Viet Post Bank since "agent banking" is not yet legalized. It was expected that the Decree on Agent Banking would be approved by the State Bank of Vietnam during the pilot. However, it has been yet to be issued. In this context, the level of support from the Lien Viet Post Bank to develop VSLA merchant network was not as expected.

### 3.3 EFFICIENCY

The final evaluation of the project has found a number of complaints and hesitation from VSLA members about the Vi Viet e-wallet. Key issues relate to lack of "cash in and cash out" points and the complicated password to log into the e-wallet. However, initial resistance to technology was predictable given that the pilot was quite short. This is not a phenomenon restricted to Vietnam but is a global experience. Obviously, we need more time and patience. Lien Viet Post Bank will need to spare more resources to support users and build an ecosystem in Dien Bien so that VSLAs and other people make more use of the product.

FinLINK's management and the collaboration between CARE and CCD are efficient. As per the design, there should be stronger engagement from the local Visa team to avoid the long delay in banking partner selection. This delay was only resolved during the project extension. However, it showed a good working modality when CARE took a more proactive role in reaching out to local banks and engaged Visa in the discussions with them. The signed MoU and fast-moving pilot of Vi Viet are convincing evidence for this partnership modality.

The Vi Viet product with "CARE-LVPB-CCD model" would be an effective platform if Lien Viet Post Bank put more staffing investment in the pilot and the timeline were longer (instead of only four

months). However, there is now information that CCD has launched the 2018-2023 strategy focused on microfinance.<sup>3</sup> One of its key project staff has become a Vi Viet merchant. He is now able to provide mobile support for the groups and has promoted the product to more customers.

### 3.4 SUSTAINABILITY

The VSLA network is a sustainable platform for women's economic empowerment due to tangible benefits it offers to women members. When it comes to linkage with formal financial institutions, however, some more appropriate interventions such as business skills training, financial literacy, savings and investment need to be repeatedly offered in various forms so as to enable all the women (including those who are illiterate) to apply.

FinLINK has created a grounding habit for the VSLAs as well as certain capacities for CCD, so this is the long-term sustainability to start upgrading people's livelihoods into a value chain-based agriculture or engage them in better income-generation livelihoods.

In terms of digital financial linkage, Vi Viet has obviously brought women closer to formal financial institutions. CARE and Lien Viet Post Bank will need to scale the product as the sustainability of wallet lies in its scale and enabling ecosystem. The scale should cover a larger population beyond subsistence agricultural producers and develop potential women's entrepreneurs to Vi Viet merchants. For institutional arrangements, it is best for sustainability of the project impact if the CCD remains responsible for managing VSLA groups, even after the completion of project activities.

## 4. PROJECT SCALE-UP ASSESSMENT

### 4.1 VSLAs' READINESS FOR LINKAGE

- Viable financial solutions heavily depend on the flow of capital. It is important to link the Vi Viet solution with income generation activities to improve cash flow. These may involve something like the Livelihoods Interest Groups (LIG) model, in which all the members of different groups pursue the same type of livelihoods/businesses. Ethnic minorities in agriculture value chains would be a good fit for this product.
- The training in business management was offered once so it has not yet been fully received and applied in practice. Therefore, the project needs to develop advanced training content targeting livelihood-based groups and use coaching and/or mentoring methodologies rather than focused training only. The focus on basic knowledge still needs to be maintained with new groups.

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<sup>3</sup> CCD has been awarded a certificate for the operation of the Microfinance Program since late 2017.

- Financial literacy training produced quite a good result. In order to enhance its effectiveness and so that those who are illiterate (but can read the numbers) can transfer knowledge to others, the project should print out calendar posters/notebooks for each member, in which there are symbols in each row so that the women can understand and write down their notes next to these symbols. These calendar posters can be hung on the wall and used all year round.

## 4.2 VI VIET SOLUTION

- The VSLA groups are mature enough for the self-help activities phase through self-financing and revolving loans, so the project needs to diversify its lending portfolio from outside the group. Lien Viet Post Bank should quickly deploy micro-loans through Vi Viet and have dedicated staff to support VSLAs to access those loans through VSLA groups.
- Vi Viet could address the challenge faced by ethnic minority women in using the wallet. This could include redesigning the interface to include fingerprints rather than complex passwords for log-in.
- Although the individual Vi Viet was not fully used in the pilot period, the group wallet is useful and sustainable for the future. It helps to keep the balance in cash (after contributing shares and lending in the VSLA meeting), which is a concern of VSLA members, especially when the balance is large.
- The Vi Viet pilot was able to look at enhancing the usability of the wallet, showcasing its convenience over cash. This would entail creating a dense ecosystem for the wallet to be easily used. This means more transaction/merchant points and opportunities to make the wallets more useful to members. The members may be educated that their wallet use history could serve as a good proxy for potential formal credit products. A micro-savings product (a visual product that women can see and check on their smartphones) that accepts payment through the Vi Viet wallet could also be a good incentive, as the women like saving and this could yet be another opportunity for them to save.



## 5. Financial Report

The final cumulative expenses for the project through March 2018 are reflected in the financial report below. The project closed at a zero balance.

Visa - NetHope/CARE Financial Report						
Budget Line	Planned Budget	Actual Expenses	Cumulative Expenses	Budget Balance	% Burn Rate	% of Program Time Remaining
Personnel	\$ 127,847	\$ 125,653	\$ 125,653	\$ 2,194	98%	0%
Equipment	\$ 1,680	\$ 1,680	\$ 1,680	\$ -	100%	0%
Activity Support	\$ 34,195	\$ 34,220	\$ 34,220	\$ (24)	100%	0%
Travel	\$ 11,085	\$ 8,779	\$ 8,779	\$ 2,306	79%	0%
Non Personnel Costs	\$ 122,125	\$ 126,601	\$ 126,601	\$ (4,475)	104%	0%
Administrative	\$ 28,068	\$ 28,068	\$ 28,068	\$ 0	100%	0%
<b>Total</b>	<b>\$ 325,000</b>	<b>\$ 325,000</b>	<b>\$ 325,000</b>	<b>\$ 0</b>	<b>100%</b>	<b>0%</b>

## Annex I: General Introduction of Vi Viet



Vi Viet is a virtual wallet designed and developed by Lien Viet Post Bank. Vi Viet is used for transactions from Vi account to Vi account, Vi account to bank account and vice versa. To use Vi Viet, the user needs a smartphone or any electronic device connected to the internet, a

phone number and a Vi Viet account. Then the user installs the Vi Viet app and can begin transacting.

Lien Viet Post Bank adapted a separate type of Vi Viet for the FinLINK project in Dien Bien. Thus, in the project area, there are two types of Vi Viet: individual Vi Viet and mutual Vi Viet for VSLA groups. Each VSLA group has a bank account which links to the group's e-wallet. Before using Vi Viet, the mutual assets of the VSLA were in cash and kept in a lockbox after members contributed shares and made loans. Sometimes, especially when the collective amount was large, the VSLA members worried that the lockbox could be stolen.

For security, three one-time passwords kept by three different members of the VSLA are required to open the group's mutual Vi Viet account. No single member can use the mutual Vi Viet without passwords from others. Cash cannot be withdrawn from the mutual Vi Viet. To withdraw cash, the money from the mutual Vi Viet needs to be transferred to the individual Vi Viet account of a merchant.

Among the six pilot VSLAs using Vi Viet in the FinLINK project, two of the groups had 100% of members elect to become Vi Viet users meaning that the group has a mutual Vi Viet account and each member of that group owns an individual Vi Viet account. All VSLA members in a completed user group can contribute shares by transferring money from the individual Vi Viet accounts to the mutual Vi Viet account, and can get loans by transferring money from the mutual Vi Viet account to the individual Vi Viet accounts. The four remaining groups saw partial Vi Viet user participation. A partial Vi Viet user group has a mutual Vi Viet account as well, but not all members in the group have individual Vi Viet accounts. To deposit funds in the group's Vi Viet, the cash needs to be given to a merchant; then the merchant transfers money from her individual Vi Viet account to the mutual Vi Viet account.



## Annex 2: How Vi Viet Works with CARE VLSAs



LienVietPostBank send Vi Viet Officer to VSLAs to introduce Vi Viet e-wallet and documents needed to open a wallet account.



VLSA members submit their documents to Vi Viet Officer to open their wallet accounts.



At a typical VLSA meeting, women put their savings (by buying shares) in a lockbox with 3 keys kept by 3 VSLA members. Money from the lockbox will then be lent out to members with an agreed interest rate. If no one has demand for loan, money will stay in the lockbox until the next meeting.



With Vi Viet, VSLA members have their own wallet. They do “cash in and cash out” through Vi Viet merchants who are VSLA leaders.



In a Vi Viet VSLA meeting, instead of putting money in the lockbox, VSLA members send money from their e-wallet to the group e-wallet.

If there is no demand for loans from members, money in the group wallet will be transferred to the Group Savings Account to earn extra interests.

If someone needs a loan, money will be transferred from Group e-wallet to her individual wallet. However, the transaction is successful only when 3 One Time Passwords (OTP) are entered by 3 pre-assigned VLSA members. This mimics the VSLA lockbox and to ensure no one could steal money from the group wallet.

## Annex 3: Case Study

### Mrs. Luyen & the Benefits of Participating in the FinLINK Project

Mrs. Luyen's lives with her husband, a son and daughter and her parents-in-law. She is 38 years old. Her family is raising: more than ten pigs for both meat and breeding purposes, five cows, some clusters of chickens, as well as a fish pond with the area of thousands square meter. Mrs. Luyen and her family also grow sweet potatoes that are being harvested and rice that is about to ripen. She and her husband are always quite busy. They presently feel very happy, noting that they are willing to take care of each other and are very proud that their children are educated. Mrs. Luyen and her husband are also feeling fortunate that their hard work is resulting in improving finances for the family.



Mrs. Luyen and her husband.

The couple attributes their success to the participation in the VSLA group. Mrs. Luyen and her husband got married in 2002. In 2012, the women in her village encouraged each other to participate in the "share" group (VSLA). In 2013, her husband encouraged her to join the VSLA. Since 2014, she has been trained in spending management and saving funds for business purposes. Mrs. Luyen also received technical training on how to grow sweet potatoes and raise livestock for productive use from other women in her VSLA group. As a result, in 2016, her family was able to build a stilt house.

Through the FinLink project, Mrs. Luyen was trained on using a smart phone and the Viet e-wallet. Although she initially found it somewhat challenging to use and that it took more time, Mrs. Luyen now easily uses the Vi Viet e-wallet mainly to deposit money in the VSLA group. She has grown more accustomed to using a smart phone and enjoys using Facebook, Youtube and listening to music as well as conducting VSLA transactions. Mrs. Luyen said that she plans to actively participate in the VSLA group 'forever'. She hopes that her participation will help her have more opportunities to growth her business. Her family will then consider enlarging breeding facilities and expand the area dedicated to growing sweet potato as her commune (Thanh Nua) is well-known for its especially delicious sweet potato in the village of On and far beyond.

