

One of measures to alleviate poverty in Sóc Trăng is to supply loans on preferential terms by the Bank for the Poor. These loans should be transferred directly to poor families that have enough labor but lack capital. This is an effort by the government to provide them with money and production plans to help them improve their income.

According to a living standard census conducted in Sóc Trăng in 1998, there were 40,730 poor families in need of capital for their business, equaling 75.41% of the poor families in the province. The main source of preferential loans comes from the Sóc Trăng branch of Bank for the Poor.

that represented farmer families in cooperation with local Boards of Poverty Alleviation and local governments. This program has produced first encouraging results when many models were introduced and projects started, such as: raising shrimp in rice fields in Vinh Châu district, developing specialized gardens in Kế Sách, introducing animal husbandry business to residents in Mỹ Xuyên and Long Phú districts, extending the power grid to Thành Trị district, developing shrimp farms in Mỹ Xuyên, etc.

These projects, at small scale appropriate to all farmer families and with preferential bank loans, have helped poor families improve their

Targets set by the plan for 2001 are as follows: the mobilized fund is VND500 million; the total loan supplied is VND19.5 billion for some 6,500 borrowers; repayment of loans reaches VND8.632 billion; the outstanding loan is VND48 billion owed by 28,000 borrower families (equaling 57% of the poor families in Sóc Trăng); the overdue debt is kept under 4%. To achieve these targets, the following measures could be taken:

- When supplying loans to farmers' projects, full attention should be paid to their production capacities and track records, or sense of responsibility. Cooperation between local governments and civic organizations is needed in assessing farmers' proj-



Up to Dec. 31, 2000, this branch managed a fund of VND39.02 billion allocated by its parent bank. Its outstanding loan, up to Dec. 31, 2000 was VND37.123 billion (12.213 billion of which was lent to 7,510 Khmer families that accounted for 32.89% of the outstanding loan, that is, a VND1.313 million for a family on average). The number of families securing these loans were 28,216, equaling 66.82% of poor families qualified. The overdue loan reached VND2,956 million equaling 7.96% of the outstanding loan (most of them was from families affected by natural disasters).

Of the outstanding loan, VND 19.319 billion was short-term loans and 17.013 billion was of medium term. Some VND33.9 billion was lent to farming families and 3.4 billion to fishing ones.

Loans are usually supplied to projects run by civic organizations

living standards, especially if they are carried out in depressed areas or remote villages. In the years 1999-2000, this program helped 13,082 families escape poverty and reduced the portion of poor families to 18.45%. Good results were achieved in Sóc Trăng provincial town and Mỹ Tú district.

In some districts, however, local governments, civic organizations and boards of poverty alleviation paid only little attention to tasks of supplying loans and reminding borrowers of the correct use of loans and repayment of these loans with the result that the fund for this program wasn't preserved and used properly.

To carry out this program more effectively in the years 2001-2002, the Sóc Trăng government should improve the quality of the credit supplying program with a view to ensuring safety and efficiency.

ects and deciding on lending.

- Reminding borrowers of purposes of these preferential loans and the task of repaying debts on time.

- The bank should carry out regular inspections of the use of loans by farmers and take measures to ensure that they are paid on time.

- Local governments had better combine the supply of loans to farmers and the technical assistance in order to help farmers avoid failure, and make sure that preferential loans are supplied to real poor families.

Realities in recent years show that this program proves effective because it forces borrowers to be careful in making decision on their business, size of borrowing and repayment of debt when due, so the Sóc Trăng government had better carry out this program more actively with a view to improving the quality of life for poor farmers.

MORE

PREFERENTIAL LOANS FOR POOR FAMILIES IN SÓC TRĂNG

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