

*ace*<sup>•</sup>  
anh chi em

# Social Indicator Annual Report 2016

**Anh Chi Em – April 2017**

# Our Mission



*“to help poor households in remote areas to reduce their vulnerability and reach better living conditions through the provision of quality financial and capacity building services in a sustainable way.”*

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A Social Performance Strategy has been formulated in 2015. This strategy is a framework for Anh Chi Em (ACE), it aimed at strengthening the institutions’ capacity to fulfil its social mandate through the attainment of its social goals. The social performance strategy lists a set of indicators and targets. Those were selected on the basis of their relevance with respect to ACE’s social mission. This annual report provides data on ACE performance against these indicators.

The following files were used for this analysis : extracted from the MIS LPF (dated from 1<sup>st</sup> Jan 2016 to 31<sup>st</sup> Dec 2016) *Outstanding Loan report 2016.xls*; *Saving Balance report 2016.xls*; and extracted from the MIS SMS (as of December 2016) *Socio economic report 2016..xls* and *Training report 2016.xls* (refer to the annex to access the files).

For this report we have analysed data for 5308 beneficiaries (all loan cycles from January 2016 to December 2016 ). We also analysed 929 data entries for loan cycle 1 beneficiaries and 934 for loan cycle 5 (January 2016 to December 2016 ).

*The following indicators and targets help us to ensure we are meeting our mission*



<b>ACE's mission</b>	<b>Our Goals</b>	<b>Indicators tracked</b>
<b>“To help poor households in remote areas...</b>	Reach the poor living in rural areas	Ethnicity of the partner
		Gender of partners
		Ownership of a poverty card
		Monthly expenses per capita (food and non food)
		The percentage of the population aged 15 and over, who have worked to produce an income, whose main job in the last 12 months fell into the category of "nonfarm wage employment."
		Ownership of a motorbike
		Ownership of a buffalo/cow
		Ownership of land
		Ownership of refrigerator
		Ownership of Tractor/Decortiqueur
Ownership of Pish pond		
<b>...to reduce their vulnerability and reach better living conditions...</b>	Contribute to reducing their vulnerability	Savings balance
	Contribute to improving their living conditions	Ownership of motorbike
<b>...through the provision of quality financial and capacity building services...</b>	Provide financial and capacity building services that meet clients' needs and satisfy them	The percentage of the beneficiaries participating to training
		Loyalty rate
<b>...in a sustainable way.”</b>	Reach operational self sufficiency	Operational self sufficiency

# Helping poor households in remote areas

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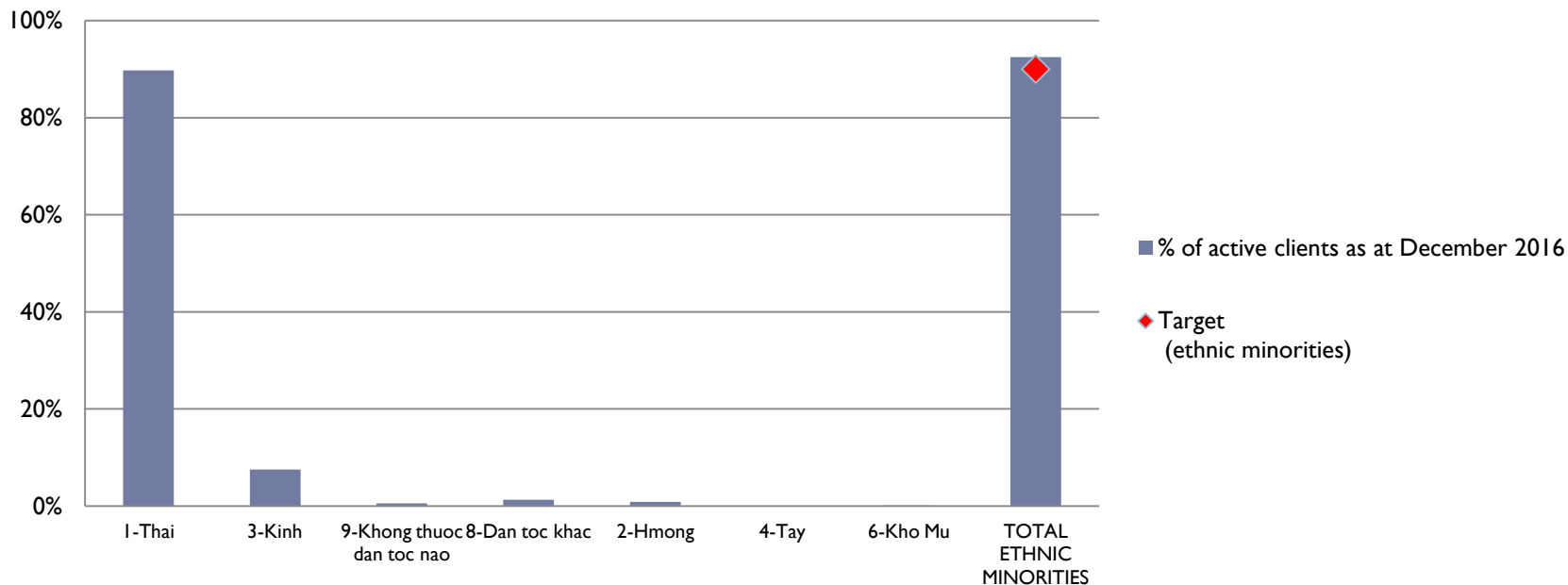
*The following indicators and targets help us to ensure we are helping poor households in remote areas, the first part of our mission.*

# Ethnicity

In Vietnam **ethnic minorities** are particularly exposed to poverty, accounting for around 50% of the poor in the country (World Bank, 2010). Those minorities mostly live in remote areas such as Dien Bien province where ACE is operating. This province is the poorest in Vietnam (MoLISA, 2016). The data collected on ethnicity shows that ACE is in line with its social performances objectives.

The data observed is for active borrowers in December 2016. Among the 5308 beneficiaries of ACE 93% are from ethnic minorities with the 7% remaining are Kinh (main ethnic group in Vietnam accounting for 86% of the population). Our target is 90%.

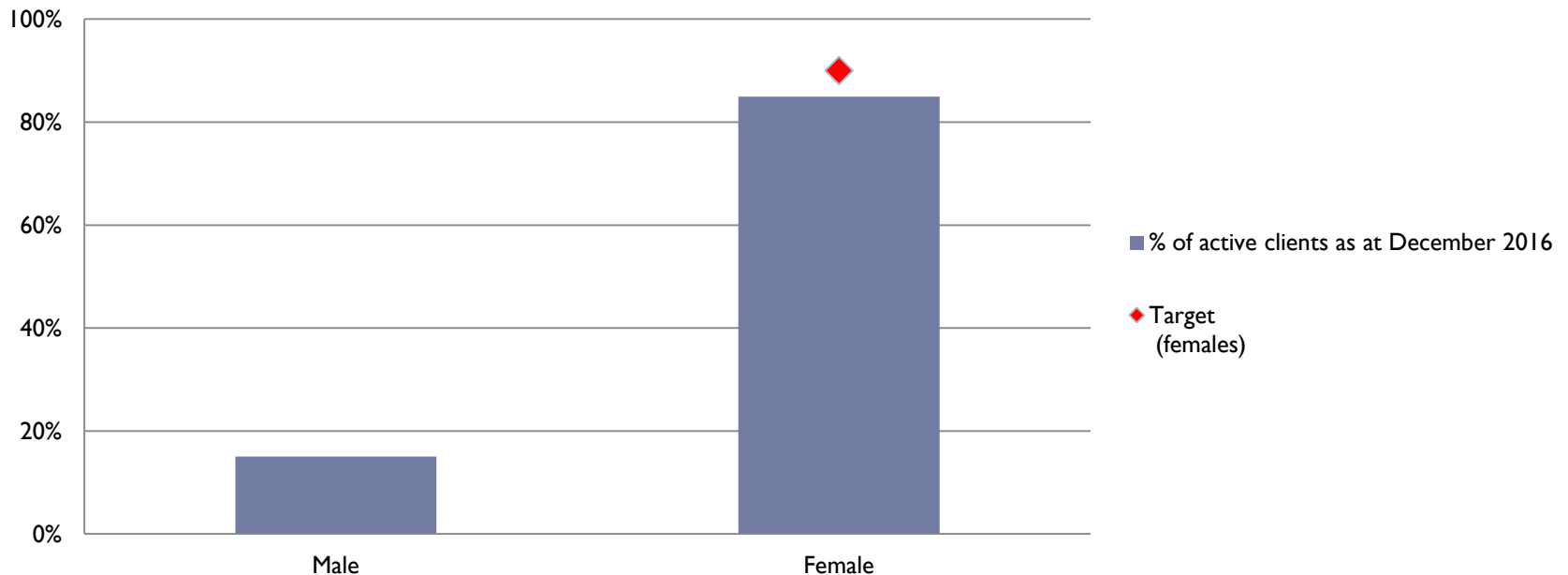
Ethnicity of active borrowers (%)



# Gender

**Gender** is a significant determinant of poverty in Vietnam (especially in household headed by women). The social target of ACE is to serve 90% of women. The data collected for all active borrowers as of 31<sup>st</sup> December 2016 (for 5,308 beneficiaries) shows that ACE falls a bit short of this objective: 85 % of the beneficiaries are women.

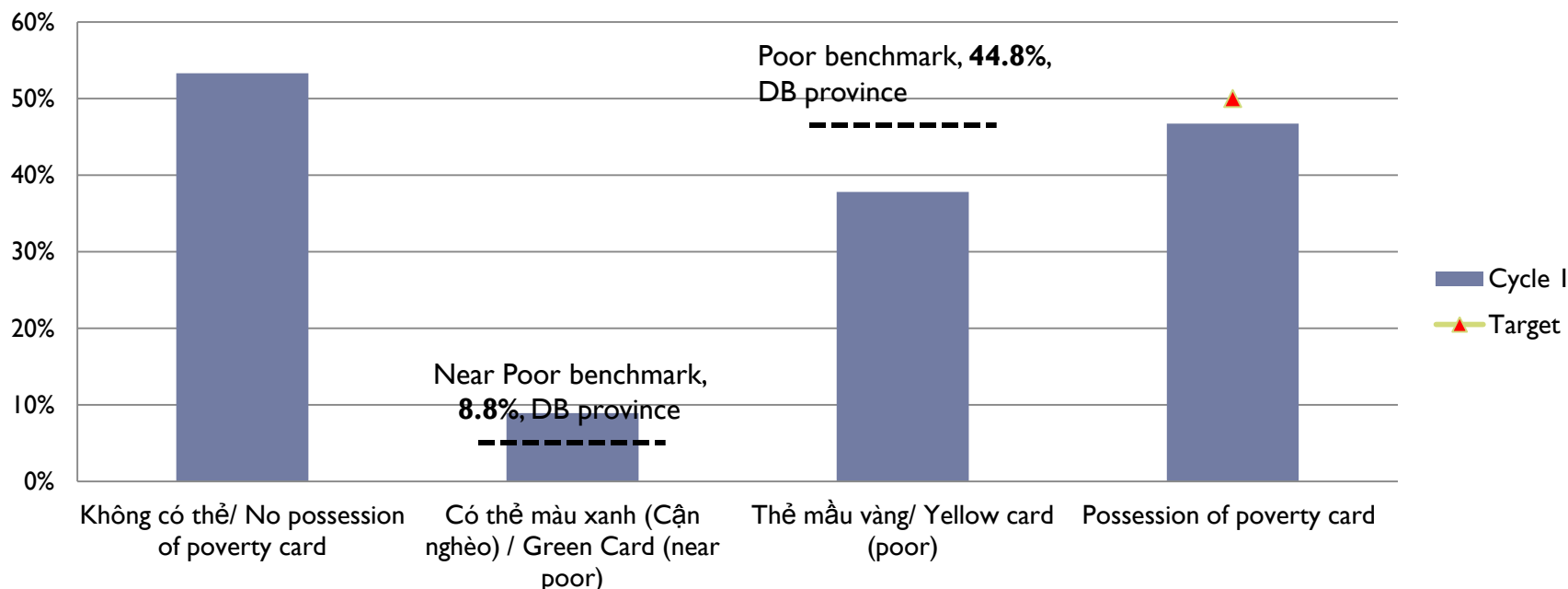
**Gender of active borrowers (%)**



## Ownership of a poverty card (1/2)

**Ownership of a poverty card** helps us identify poor households. For this indicator data was collected from January 2016 to December 2016 for clients who are in their first loan cycle. 47 % of first loan cycle beneficiaries own a poverty card, ACE is slightly missing its target on this indicator. However, this result is line to the poverty ratio in Dien Bien provinces of 53 % (MoLISA, 2016). In addition, 38% of loan cycle I partners are defined as “poor” and hold a yellow poverty compared to the 44.8% of the population who are defined as “poor” in Dien Bien province, indicating strong outreach to the poor.

**% of partners owning a poverty card**



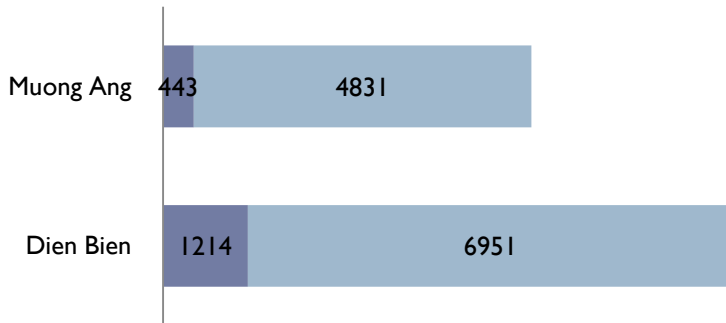
# Ownership of a poverty card (2/2)

This slide shows ACE's outreach towards poor people in the Dien Bien province and more specifically on the two districts of operation (Muong Ang and Dien Bien). In 2016, when compared to the official poverty data we can see that ACE is reaching out to 17% of the "poor" poverty card holder in the district of Dien Bien and 9% in the district of Muong Ang. For the "near poor" poverty card holder respectively 13% in Dien Bien and 9% in Muong Ang are active borrowers with ACE.



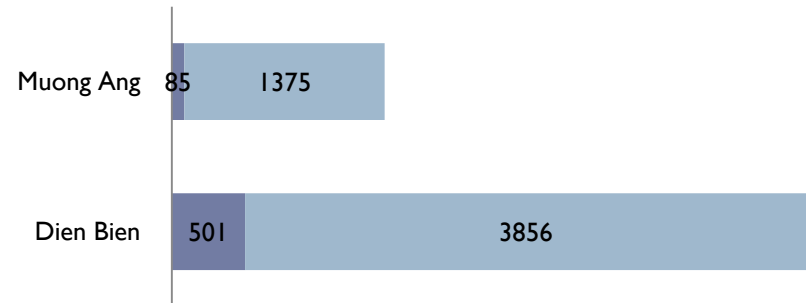
## "Poor" card holder

■ ACE's beneficiaries ■ Total



## "Near poor" card holder

■ ACE's beneficiaries ■ Total



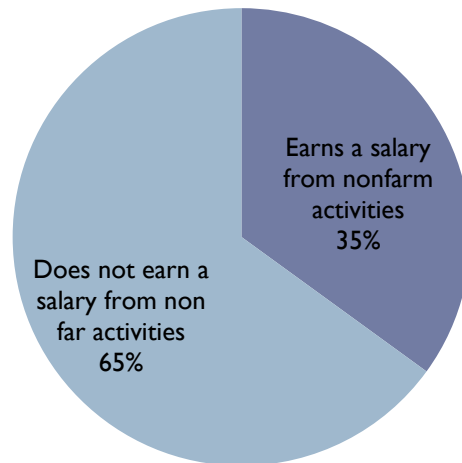


# Working age partners\* in the household earning a salary

This outreach indicator gives a snapshot of our first cycle beneficiaries source of income. We are primarily looking to support households who are not earning non-farm salaries. The target defined in the SPM strategy is 50%. With 65% of first cycle beneficiaries concerned, ACE is currently exceeding this target.

This data is recorded in the loan application form then it's encoded in the social performance monitoring software (SMS). For this graph we analysed 929 data entries collected from January 2016 to December 2016.

## % of beneficiaries earning a non farm related salaries



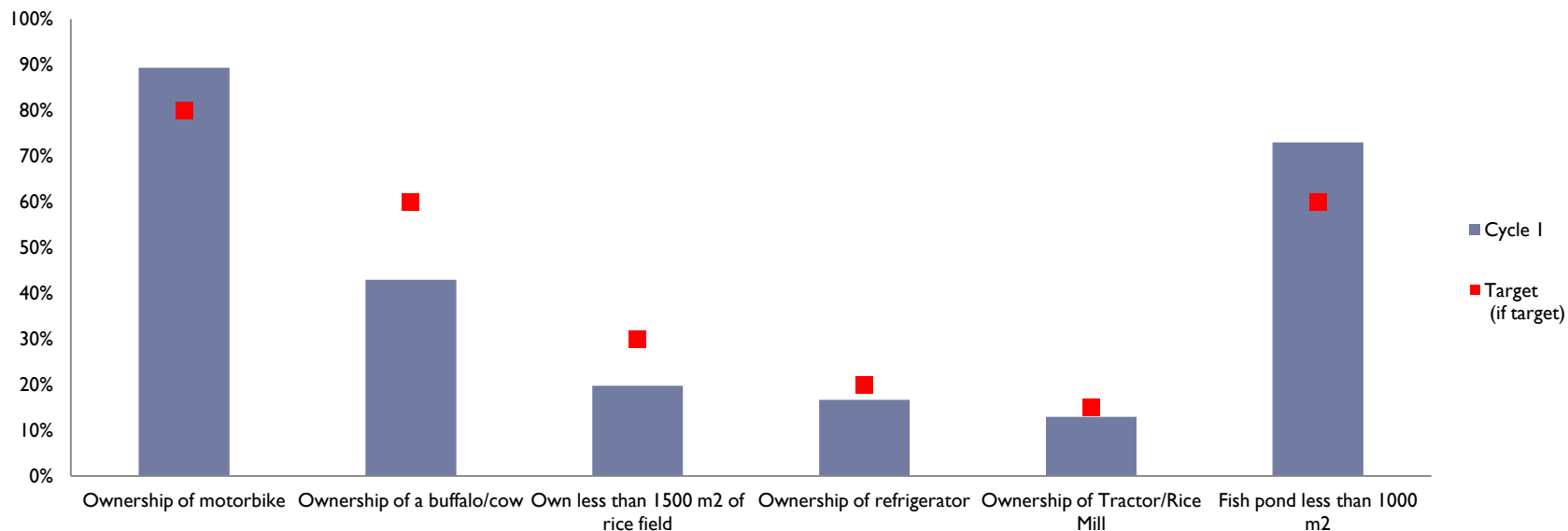
\*Based on members of the household who are over 15 years old who have non farm wage employment

# Ownership of key assets

This data provides a snapshot of our first loan recipients **ownership of key assets** which are compared to our set targets. In this case, for the first loan cycle, we would like to see the bars below our red targets. Evolution of this set of indicators will be monitored to gauge the long term outcomes on clients over different loan cycles.

This data is recorded in the loan application form then it's encoded in the social performance monitoring software (SMS). For this graph we analysed 929 entries collected from January 2016 to December 2016.

**% of beneficiaries owning key assets**



# Reducing vulnerability and increasing living conditions



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*The following indicators and targets enable ACE to monitor its progress in helping to reduce vulnerability and to increase living conditions of its beneficiaries.*

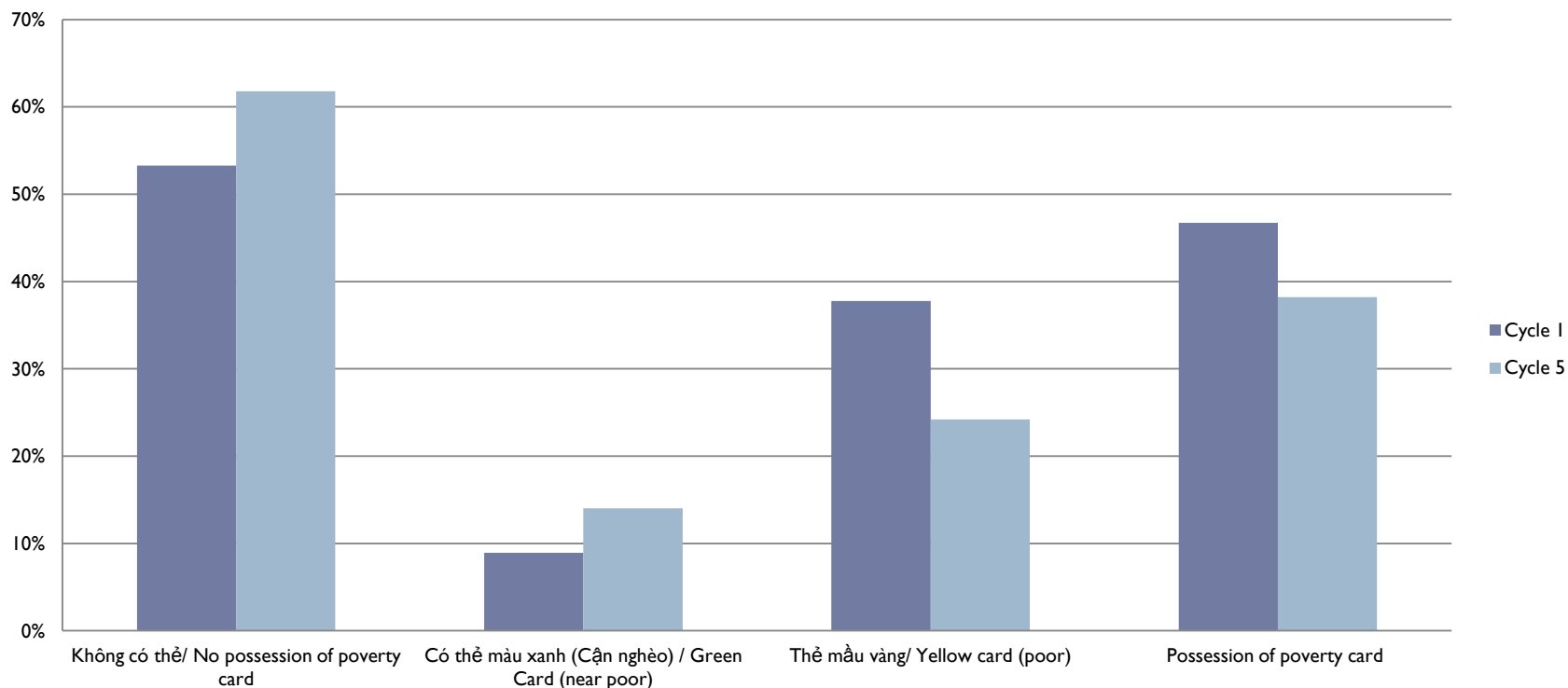
*In this section we are analyzing the change of borrowers' living condition between loan cycles.*

*We choose to compare data for borrowers in their first loan cycle and for those in their fifth loan cycle. In 2016, there are 929 data entries collected for loan cycle 1 beneficiaries and 934 for loan cycle 5 beneficiaries.*

# Ownership of a poverty card (change analysis)

Ownership of a poverty card helps us identify poor households. For this indicator data was collected from January 2016 to December 2016. The ownership of poverty card for borrowers after 5 loan cycle is lower for beneficiaries in loan cycle 1, it decrease from 47% to 38%.

% of partners owning a poverty card

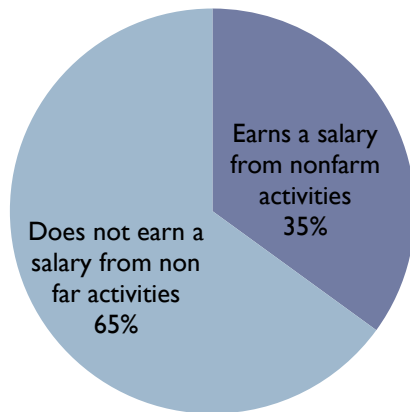


# Working age partners\* in the household earning a salary (change analysis)

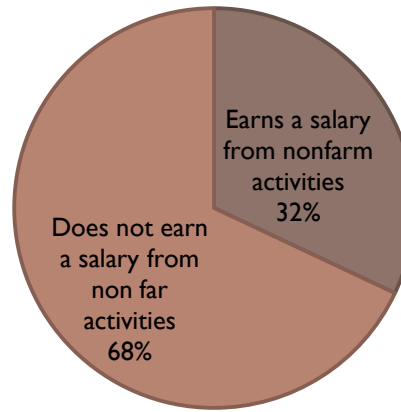
In this slide we are comparing the difference of the income source between loan cycle 1 borrowers and loan cycle 5 borrowers. We can observe close figures for the percentage of beneficiaries earning a non farm related salary.

## % of beneficiaries earning a non farm related salary

### Loan cycle 1



### Loan cycle 5



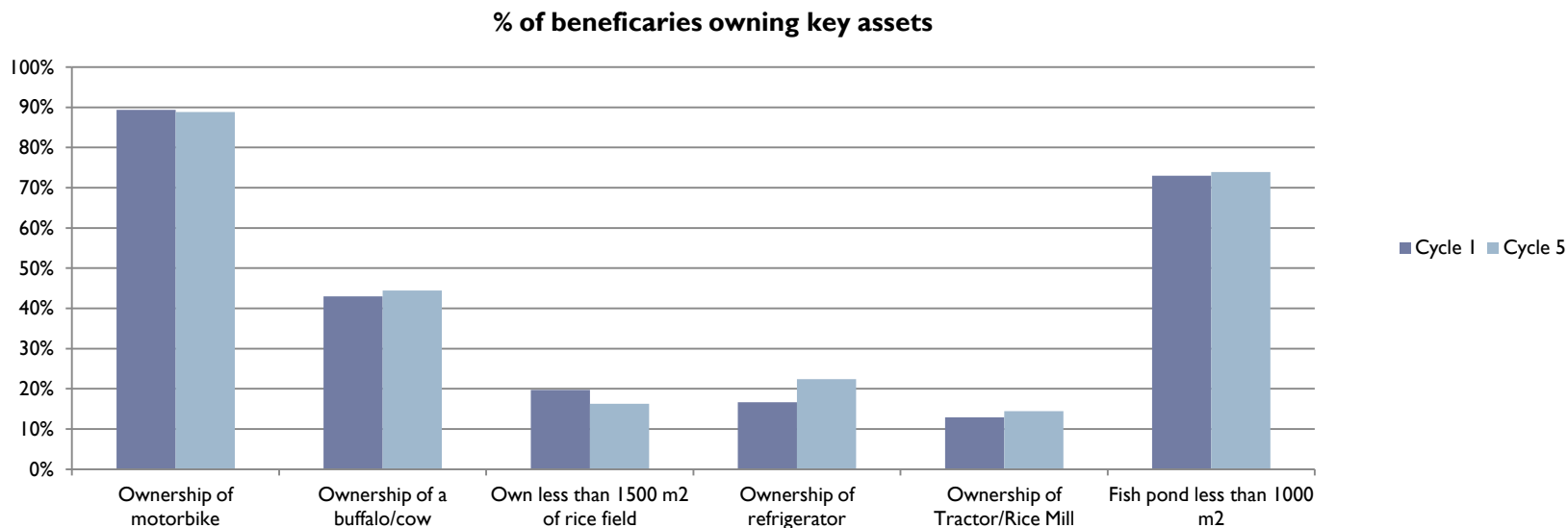
\*Based on members of the household who are over 15 years old who have non farm wage employment



# Ownership of key assets (change analysis)

In this slide we are comparing ownership of key asset between our first loan borrowers and fifth cycle loan borrowers.

For several indicators there are no significant change (i.e. motorbike, buffalo/cow, rice fields, tractor and fish pond), however there are differences for the surface of the rice field (4% borrowers owns a larger rice field) and for ownership of a refrigerator (a 5% increase when comparing loan cycle 1 and 5 beneficiaries).

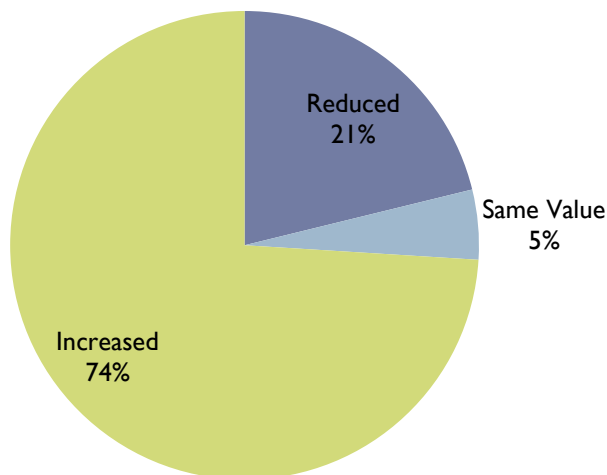


# Changes in saving balances over 12 months

**Change in savings balances over 12 months** has been analysed between January 2016 to December 2016. This data shows a positive evolution: 74% of the beneficiaries have an increased their saving balance over the reviewed period. The target is for 50% of active clients to keep or increase their savings balance over 12 months.

However, ACE has observed that an important share of their beneficiaries are not fully aware of their saving balance, hence reducing their propension to withdraw their savings during a loan cycle. Financial literacy training on the importance on savings are to be delivered soon, this may affect this indicator.

**Change in partners saving balances over 12 months  
(Jan 2016 – Dec 2016)**



# Providing quality financial and capacity building services

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*The following indicators and targets help us to ensure we provide quality services to our clients*

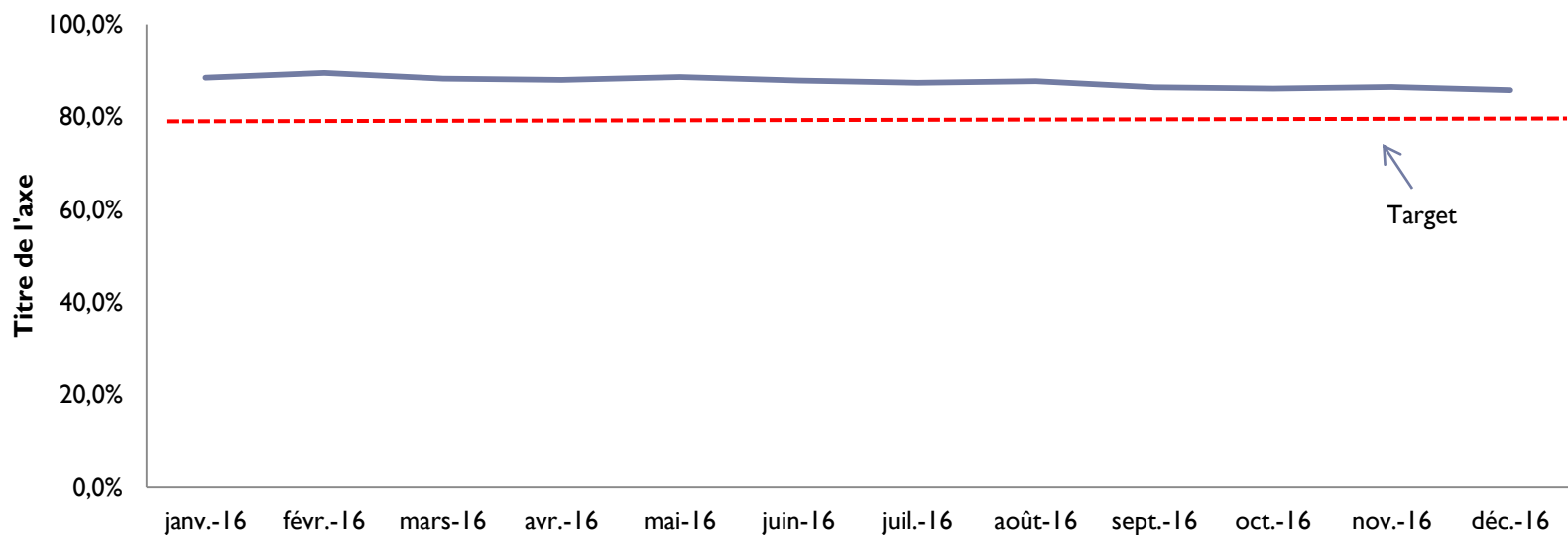


# Loyalty rate

The **loyalty rate** is a good proxy to capture the quality of ACE's financial products. This ratio means that our partners are satisfied with the delivery and the quality of the products. ACE loyalty rate is in line with the following target: of more than 80% by 2015.

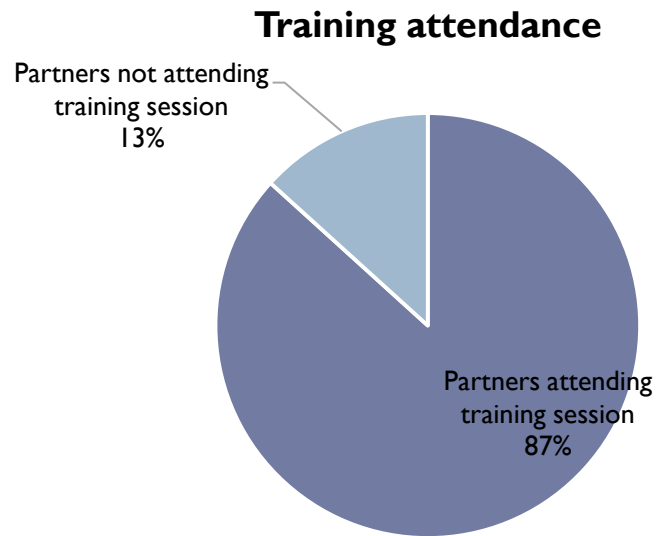
Moreover, ACE is also conducting a bi-annual satisfaction survey which gives more indication on the demand features and on the quality of ACE's products. The next satisfaction survey will take place in 2017.

## Loyalty rate



# Participations in trainings

**Training participation** is an important indicator. We track the percentage of our beneficiaries over a year who attend at least one training session. Our target is 90%. In 2016, 5354 beneficiaries attended at least one training session out of 6174 active borrowers, reached in 2016. This is equivalent to a rate of 87 %, slightly under our target.



# In a sustainable way

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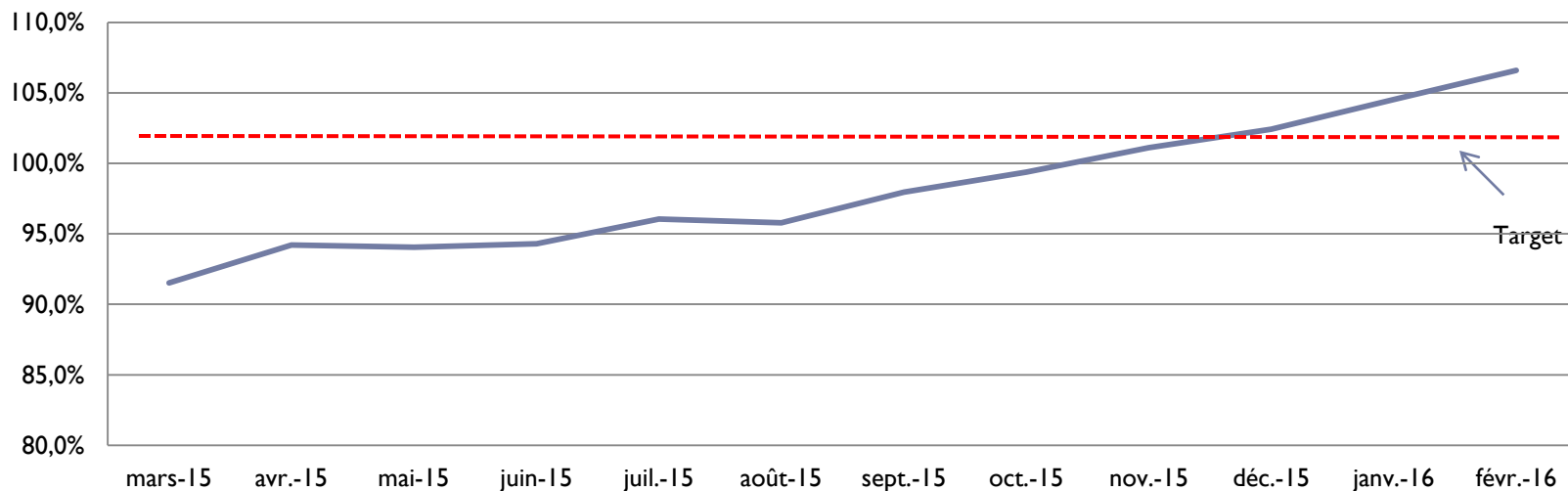
*By tracking our operational sustainability we are able to measure our ability to continue to provide services to our partners over the long term.*

# Operational self-sufficiency

**Operational Self-Sufficiency**, where earned income covers operational costs, is a key milestone. ACE reached operational self-sufficiency in November 2015 as planned in the SPM strategy. It proves the program has the ability to sustain itself while providing both financial services and non-financial services to its partners. ACE has also proven that its social microfinance model is viable.

It is noteworthy that ACE's geographical expansion plan may affect this ratio. If ACE is to expand in new districts/ provinces, then the incurred cost will have a negative impact on the operational self sufficiency.

## Operational self sufficiency



# Conclusion and next steps

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- ▶ This is the first social indicator annual report reflecting the social performance of ACE. The overall evaluation is positive and shows that ACE is operating line with its social objective.
- ▶ ACE's outreach to poor households in remote areas is rather good. However the organisation does not reach its targets in terms of outreach to poverty card holders, households without motorbikes and households with small fish ponds.
- ▶ Change indicators outlined in the document allows for comparison with clients on loan cycle 1 and loan cycle 5. These figures have begun to show some positive trends. However at this stage, due to limits in the volume of data available, the comparison is made between different groups of people. As we continue to collect more data we hope to be able to conduct some longitudinal analysis to compare the same borrowers data between loan cycles allowing us to more rigorously track our outcomes.
- ▶ **ACE will be able to produce more comprehensive reports in the future.** Those report will assess more precisely ACE capacity to fulfil its social mandate through the attainment of its social goals.

# Annex

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- ▶ *Outstanding Loan report 2016.xls;*



Outstanding Loan  
report 2016

- ▶ *Saving Balance report 2016.xls,*



Saving Balance  
report 2016

- ▶ *Socio economic report 2016.xls,*



Socio economic  
report 2016

- ▶ *Training report 2016.xls,*



Training report  
2016

- ▶ *ACE Database SMS Live.rar*