

*Research*

## **Solutions to Improve the Quality of Transaction Activities at Communes of Vietnam Bank for Social Policies**

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**Abstract :** For 17 years of operating of Vietnam Bank for Policy Policies, although the quality of commune transactions with the poor has been improved, there are still some limitations. on infrastructure, training, organizational structure etc. Therefore, this study is designed to assess the existing difficulties and recommend solutions to improve transaction activities. Research results from interviews with people related to operations of VBSP at high and low performing branches by phone or in person or via questionnaire. The research was conducted 60 transaction offices of 20 branches, representing regions throughout the country of Vietnam which gather and analyze data on the status of transaction activity in the commune to clarify the necessity to enhance the quality of commune transactions and directing activities of VBSP in the coming period.

**Keywords:** Vietnam Bank for Social Policies, transaction at commune, the poor, banking officer, policy, transaction team.

### **1. Introduction**

After more than 20 years of renovation, Vietnam's economy has achieved notable results: Average GDP growth rate is over 10% -15% / year in the period of 2014 - 2019. GNP per capita increased from 180 USD in 1990 to 1,960 USD in 2013. However, besides these achievements, the development of market economy and regional economic integration has raised many pressing issues. Among which are problems of poverty, rich and poor gap, social stratification. In developing countries in general and in Vietnam in particular, poverty still accounts for a large proportion.

Derived from the point of view: if the problem of poverty is not solved, there is no completed goal that the international community, as well as the nation, set up such as economic growth, improvement of people's lives, human rights, peace and stability. On October 4, 2002, the Vietnam Prime Minister issued Decision No. 131 / TTg establishing the Vietnam Bank for Social Policies, on the basis of reorganizing the former Bank for the Poor to provide credit to the poor and other policy beneficiaries.

Vietnam Bank for Social Policies (VBSP) provides loans to beneficiaries under the Government's designation. In order to create the most favorable conditions for poor households and other policy beneficiaries, VBSP has brought its professional activities to serve in communes, wards and towns (hereinafter referred collectively to as communes) through transaction activities in the commune. VBSP development strategy for the period of 2011 - 2020 stated: "Improving the model of organization, management and administration at 3 levels: Central, provincial and district levels towards focusing on unified management at localities, streamlining intermediaries and strengthening operations at transaction points in communes and wards." By bringing banking transactions to communes, the relationship between VBSP, the authorities, mass organizations with the people is increasingly tight; the quality of policy credit is increasingly improved.

In order to continue to maintain stability and improve the quality and efficiency of transaction activities in the commune to meet requirements in the coming period, it is required to continue improvements on: structure and organization, legal status, monitoring and supervision, etc., propose solutions to continue promoting the achieved results and overcome some limitations in the organization of implementation and coordination with the party committee and local authority etc.

## **2. Transaction activities and some concepts**

### *2.1 Commune transaction team*

Commune transaction team is a group of VBSP's staff assigned by the local Director of VBSP to conduct direct transaction with relating organizations and individuals in the commune in accordance with regulations promulgated by VBSP's General Director; members of the team works under principles, regulations and professional standards for each job; they are equipped with facilities, tools and machines to ensure completion of assigned tasks at Commune Transaction Points.

Commune transaction team is a team under local VBSP, having no seal. Their tasks include: communicating policy credit, disbursing loans, collecting interest and debt from group members, mobilizing savings from local people; double check with clients at transaction sessions; conduct debt settlement process; receiving loan applications and other relating documents; meeting with Savings and Credit group's leaders and mass organizations; reporting status of policy credit implementation to local Party and government.

Organizational structure of commune transaction team is formed on the basis of relationships of superiors, subordinates or co-workers; hierarchical order is in accordance with positions and tasks assigned; codes of conduct is formed and performance results can be anticipated, each individual has his/her own tasks. Team leader is the executive of the Commune Transaction Team, members of the Commune Transaction Team interact, cooperate with each other and with the Team Leader to achieve the common goal. Team members depend on each other's information to perform their task, all transaction information in the Team is supervised by the Controller. The number of staff participating in the Commune Transaction Team is based on the organizational structure of the Commune Transaction Team, the actual work volume of each specific transaction session and the number of existing staff of each unit. Local VBSP's Director set up commune transaction team and assign tasks to staff.

## *2.2 Commune transaction point*

Commune Transaction Point is a place where commune transaction team of VBSP organizes transactions with related organizations and individuals at commune level. Commune transaction points are located within the area of the commune People's Committee headquarters.

## *2.3 Transaction activities at the commune*

Commune transaction activity is a typical operational method of VBSP which is uniquely implemented in the system, an integral part of VBSP to serve poor households and policy beneficiaries.

Thus, it is possible to generalize the concept of commune transaction activity: "Transaction activity at communes, wards and towns (hereinafter referred to as communes) is the way of organizing transactions of VBSP with customers at Commune Transaction Point located in head office of Commune People's Committee".

## **3. Organizational structure, scope of activities, roles and modes of transaction activities in the commune**

### *3.1. Organizational structure*

The commune transaction team has at least 03 staff to assume positions of a team leaders, a supervisor and tellers; The team leader is usually a credit officer who in charge of the commune, the Team Leader may be the supervisor; in case there are many tellers, one staff is assigned to be the main teller; In case there are more than 03 tellers, local VBSP Director can arrange an additional supervisor. In addition, the staff in the Transaction Team can be assigned other tasks by Director of local VBSP and the team leader.

### *3.2. Scope of operation*

The transaction activities in the commune are carried out in a commune. Transaction team carries out transactions in Commune People's Committee's office and only deals with customers and Savings and Credit groups' leaders of the commune.

### *3.3. The role of commune transaction activities*

Through direct disbursements, debt collection with borrowers, interest and deposit collection of members through Savings and Credit groups' leaders and transactions with related customers, organizations and individuals, commune- based transaction activities play an important role in helping the poor and other policy beneficiaries to access the Government's social policy credit in a convenient, safe and cost-effective way. Commune-based transaction activities also help to implement democracy, transparency and strengthen supervision of local authorities and mass organizations, Savings and Credit group's management boards in implementation of social policy credit at grass root level.

### *3.4. How the transaction team works*

To carry out transaction activities on a fixed date and time once a month at a commune; the commune transaction team is fully equipped with tools and equipment for transactions such as cars, facilities, computers, printer, money counting machines, money detectors, cash and paper boxes, cameras, transmission equipment, network connection, generators, software to perform transactions and management, cash advance, savings books for transactions with customers etc.

## **4 . Current situation of transaction activities at commune of vietnam bank for social policies**

### *4 .1. 2003-2005 period*

VBSP's transaction activities at the commune were established right from the beginning of the VBSP's establishment, its original name was Mobile Lending Team. When newly put into operation, the Mobile Lending Team only disbursed loans directly to poor households at the

communal People's Committee office. After two years of organizing disbursement in the commune, although it had been very effective, the approach was not really convenient since only disbursement was conducted, no debt collection, interest collection or other direct transactions causing inconvenience for the borrowers.

#### *4.2. 2005-2007 period*

On August 12, 2005, VBSP launched a model of Mobile transaction team in the commune, whereby VBSP established Mobile transaction team (including 2 to 3 officers) to conduct transactions for lending, debt collection, interest collection and savings deposit of the poor, pay commissions to the Savings and Credit group (SCG), hold briefings with mass organizations, leaders of SCGs at Commune transaction point (each commune has one transaction point). The transaction schedule at each commune transaction point is fixed on a date, monthly basis and publicly notified on the signboard in the commune. The transaction place of Mobile transaction team in the commune is the office of the Communal People's Committee.

- Organize transaction network at the Commune transaction points

- + District units of VBSP in delta, midland areas with 20 communes, wards and townships (hereinafter collectively referred to as communes) or more may organize inter-commune transaction points (2 to 3 communes /one point) but must ensure the principle that radius distance to transaction point is within 3 km and no more than 20 Commune transaction points in each district.

- + VBSP units in districts with less than 20 communes shall organize one transaction point per commune, not organize inter-commune transaction point.

- + Communes in mountainous, island, border, isolate and remote areas with many or fewer communes must organize one transaction point per commune instead of inter-commune transaction point.

- The district VBSP must organize fixed transaction once a month for one transaction point. For units with communes far from VBSP's district office from 20 km or more, it must be scheduled periodically from 2 to 3 times per month for a transaction point.

#### *4.3. Period of 2007-2014*

4.3.1 Communes with a distance of over 3 km from the Commune People's Committee office to VBSP district transaction offices or provincial branch (collectively referred to as lending VBSP)

must have Commune transaction points and all communes are encouraged to organize their own commune transaction point.

- Transaction schedule: Lending VBSP arranges fixed transaction date at least once a month for one transaction point. For units with communes in remote areas, poor traffic infrastructure which staff cannot go home within a day, it is allowed to schedule transactions for a maximum twice a month.

4.3.2 In order to publicize information about the network of commune transaction points as well as to promote the image of VBSP to the public, in September 2010 VBSP posted information about the network of commune Transaction points on the website of VBSP. The posting includes the name of the commune, district and province, the date of the fixed transaction, the time the transaction starts and ends, helping to provide full information about the commune transaction activity, the network of transaction points nationwide.

4.3.3 To ensure the national unity to continue publicizing policies, intensifying supervision of the entire population in the implementation of policy credit: on March 15, 2012, VBSP's General Director issued documents No. 926/NHCS-TDNN providing guidance on specifications of Signboards and public information boards at Commune transaction points to ensure consistency nationwide with compulsory public contents as follows:

- Signs of Commune transaction points;
- Notice of credit policy;
- Information on credit activities;
- Transaction rules;
- Feedback box.

#### *4. 4 The period 2014-2018*

In parallel with constantly improving the quality of credit operations, VBSP focused on improving and modernizing the system software to make transactions with customers faster, more accurate and more convenient. Accordingly, commune transactions were also changed and to meet immediate and long-term requirements.

- Tasks of each member of the Commune Transaction Team are assigned in a more specific way to ensure accuracy, safety and job balance for each member of the Commune Transaction Team. The minimum number of bank officials participating in the Commune Transaction Team

has been increased from 2 to 3, in which the role of Supervisors has been enhanced. The present of Supervisors will help make transactions with customers more accurate and objective.

- Regarding the functional tasks of the Commune Transaction Team: In the current text of the Commune Transaction activity, the functional tasks of the Transaction Group are specified in more detail, such as the receipt - delivery of machinery and working tools before and after transaction sessions, receiving loan applications, loan extension, loan reschedule application, customer feedback are done at the Commune transaction point. Bank officials must make a direct comparison with customers on loan balance, interest balance, deposit balance right at the Commune transaction point in order to detect and promptly handle data errors and discrepancies between the bank and the customer.

- Holding Commune transaction points: For communes, wards and towns where VBSP's office is located or with distances less than 3km from VBSP office to the People's Committee office, transaction are done at VBSP's office with fixed transaction session and schedule for briefings with SCGs, mass organizations and information on preferential credit policy, loan procedures the list of borrowing households, feedback box must be publicized.

- Commune transaction schedule: The transactions in the commune are carried out regularly according to the fixed schedule (including date and time), even on weekends and public holidays. Exception is made only for the Lunar New Year holidays when transaction sessions will be shifted to the day before or after the fixed transaction day and for force majeure such as natural disasters, violence, etc., VBSP must immediately notify the cancellation of the session to the Communal People's Committee to notify mass organizations as well as SCGs. The canceled session will be shifted for another transaction day right after the disaster ends.

- Workplace of the Commune Transaction Team: The place for organizing the transaction must be located within the premises of the Commune People's Committee headquarters, arranged by the Communal People's Committee. In order to ensure safety during the transaction process, the working place of the Commune Transaction Team is also required to arrange in a convenient way for the rotation of documents and supervision among members of the team, creating safe distance between tellers, supervisors and customers.

- Regarding the process of collecting and disburse money and other transactions in the transaction session: Tellers are always the ones who receive requests from customers as well as create transactions on the system then transfer documents to Supervisors for control and approval. Instead

of customers having to make transactions via accountants and cashiers, customers now only deal directly with one teller (referred to as the one-stop controlled transaction). Thus, each Teller, apart from performing the accounting tasks, must also concurrently collect, disburse cash, manage funds; minimize the transaction time of customers with the Bank.

- Work at the end of the transaction session at the Commune transaction point: Tellers must transfer the whole cash balance on the system to the main Teller, arrange documents according to regulations, hand over all money, documents, cash register, to main Teller and sign cash transfer document. In case the Commune transaction point apply Intellect offline, the supervisor must enter the actual cash balance, close the transaction and export the data at the end of the day to hand over to the lending VBSP accountant.

- Implementation: During transaction session in the commune, the transaction team officials work independently and are responsible for monitoring and supervising each other to ensure safety and efficiency.

## **5 Difficulties, problems and causes**

Despite achieving certain results, contributing to the achievement of 17 years of operation of VBSP, transaction activities in the commune still have some difficulties which are more due to subjective of the implementer:

### *5.1. Difficulties and shortcomings*

#### *5.1.1 Network of Commune transaction points and compliance with the fixed transaction schedule.*

- In some places, time schedule of the transaction is not consistent with the actual conditions of the locality in terms of credit scale, travel conditions, staff leading to lacking in safety and less convenient for customers. There are more than 6% of the transaction points lasting after 12 am which affect the health of the commune transaction team, mass organizations' staff as well as security for the session.

#### *5.1.2 Legality and safety for Commune Transaction Teams*

- Transaction at commune accounts for a large proportion in the total volume of transactions with VBSP customers (nearly 90%) but the legality of the Commune Transaction Team is not high, there is no legal document on activities of the Commune transaction point and Commune Transaction Team of VBSP. In addition, there is no compulsory participation of lending VBSP's manager, so solving problems arising at the Commune transaction points as well as



controlling the compliance with the professional procedures of the Commune Transaction Team have not been highly effective.

- Assign members of the Commune transaction team to concurrently in charge of security for the Team on the way to and at the Commune transaction point. 80% of the respondents said that members of Commune transaction team taking charge of both transaction and security is not safe for officials and assets of VBSP.
- Some units are not interested in developing a protection plan and training for the Commune transaction team, the content is sketchy, uncommon so it is not able to apply in respond to incidents that threaten the safety of people and property of the Commune Transaction Team; officials on duty do not carry support tools or carry but cannot use them.
- Some sessions lasted through noon, only the Commune Transaction Team works at the Commune People's Committee office (performing the work at the end of the session), without the support of the commune police and mass organizations' staff leading to high risk of unsafe.

#### *5.1.3 Equipment and facilities for the Commune Transaction Team*

- In some places, the status of tools and means in service of transaction activities in the commune (computers, printers ...) has a slow processing speed, often fails but is not maintained, replaced promptly; lack of backup tools.
- In some places, officials bring lack of working tools or tools being broken due to transportation without prompt notice and repair, thus affecting the operation of the next transaction session.

#### *5.1.4 Implementing the operational process of transaction at the commune*

- Some units have not followed the prescribed professional procedures such as the assignment of officials to join the Commune Transaction Team which is inconsistent with the actual transaction volume of each session and capacity of officials in the Group; have not done well the work of planning the transaction volume (disbursement, debt collection) at the Commune transaction point; have not strictly complied with regulations on user account management, fund checking process at the end of the day; process of delivering and receiving receipts etc.
- In some sessions, the arrangement of sitting positions for each member of the Commune transaction team has not yet been scientifically organized and management of the session is not proper. Sometimes customers are pushed from one teller to another without being served which increase transaction time, reducing labor productivity and frustrating customers.

- Sometimes additional transaction sessions are organized in one month just to make disbursement to customers. Some contents of the work are not done right at the scheduled session in the commune (receiving loan application dossier, dossier of debt settlement due after the commune transaction date etc).

#### *5.1.5 Organize briefings at Commune transaction points*

- The organization of briefings at some Commune transaction points is still formal, with no practical effect. Participants in the meeting are absent, the content is brief, lack of necessary information, and receiving few comments.

- The recording of briefings at a number of places is not proper, no local staff acting as secretary to take notes but bank officials themselves recorded the meeting briefings. After the meeting, do not report in time to the Communal People's Committee leaders about shortcomings, issues (in case the Communal People's Committee leader did not attend the briefing).

#### *5.1.6 Quality of VBSP staff*

- In some units, officials are not aware of the role and the need to improve the quality of commune transaction activities. Therefore, the transaction in the commune is not really considered as a main activity, thus, not received priority in assigning officials and equipment.

- A number of officials participating in the Commune Transaction Team have not performed well their assigned tasks, especially the preparation of contents for the session such as: arranging, preparing tools and working equipment in advance; urging mass organizations and SCGs on collection of interest and deposits of members, handle due, overdue debt, proposals for loans and debt at risk settlement; preparing briefings at Commune transaction points, etc. Consequently, it is not possible to plan the workload arising at the Commune transaction points, the amount of advance payment, the number of officials required to participate leading to increase in workload pressure for the session.

### *5.2. Reason*

#### *5.2.2 Objective reasons*

- Due to the impact of natural disasters, rain, landslides, the commune transaction team does not come to make the transaction on time or must cancel the session; The SCGs and customers did not come to the bank, resulting in low transaction rates and transaction efficiency.

- Due to climate change, natural disasters, crop failure, epidemics ... affecting the compliance with interest payment, participation in making deposits, repayment of principal of customers,

thereby affecting the quality of credit activities in general and commune transaction activities in particular.

- Awareness level of a part of poor households and other policy beneficiaries is low, affecting the transaction time because it takes a long time to instruct them to write name, make fingerprint, count money ... A small number of borrowers has not complied with the Group's operating regulations and made incomplete interest payment and monthly deposits.
- In some places, the headquarters of the Communal People's Committee has not been invested in construction so the meeting rooms are still small, unable to ensure an appropriate working place for the Commune transaction team and customers to come and do transactions.

### *5.2.3 Subjective causes*

- The arrangement of the Head of Communal transaction team cum Supervisor tasks leads to high workload thus, many assigned officials cannot manage all the activities at the session and do not actively coordinate with mass organizations and localities in organizing briefings.
- VBSP has not yet established a time limit for each specific transaction. Therefore, there is no basis to allocate necessary staff for a commune session as well as to evaluate the labor productivity of the members of the Commune Transaction Team, and not to create motivation for each member of the Team, giving rise to negative thinking in the performance of tasks.
- Have not developed a scale to help assessing the results of work completion when joining the Commune Transaction Team for officials; Some units have not associated the results of completing tasks at the Commune transaction points with assessing the results of task completion of each official.
- In some units, the inspection and supervision of the VBSP at provincial level, the self-inspection of the VBSP at district level have not been paid attention and taken seriously; limitation in promoting mutual supervision role of officials in the Commune transaction team, there has been a situation where officials in the Commune transaction team collude with each other to forge documents at the commune transaction points to appropriate the State's capital.
- In some units, staff training to raise awareness, responsibility, professional skills and handling skills when participating in commune transaction activities have not regularly been paid attention.
- In some localities, the local government has not really paid attention to policy credit activities in general and VBSP's transaction activities in particular.

- Activities of the Management Board of SGCs in some areas are still small in scale, poor quality, the leaders are in high age (over 60 years old), in poor health but have not been replaced.

## ***6. Solutions to improve the quality of commune transaction activities of vietnam bank for social policies***

### ***6.1 Improve the organizational structure and personnel for the Commune Transaction Team***

- The commune transaction team must have at least 03 officers to hold independent job titles: Leader, Supervisor, Teller. Depending on the workload of each transaction session, the director of lending VBSP shall arrange the number of officials in Commune transaction teams accordingly and ensure the following principles:
  - + The head of a Commune transaction team is the Director or Deputy director of the District transaction office (or the Head/Deputy head of the Planning Department of VBSP provincial level). In some cases of additional transactions due to unexpected work, the VBSP's leaders cannot join the Commune Transaction Team, he/she must assign a Functioning team leader to be the Head of the Commune Transaction Team.
  - + Supervisor is the credit officer assigned to monitor such commune. In case the officer assigned to monitor that commune does not participate in the Commune Transaction Team, the director of lending VBSP shall assign another Supervisor.
  - + Members of the Commune Transaction Team need to be changed alternately at least between two consecutive months, except for credit officers monitoring the area who is assigned to be the supervisor of the Transaction Team in that commune to prevent the situation that officials collude to violate the processes as well as promptly detecting errors and violations of officials at the previous session.
- Carry out reviewing and arranging staff and network of Commune transaction points in which:
  - + In VBSP having 15 transaction points or less, the Board of Directors consists of 01 Director and 01 Deputy Director, review and re-arrange the network of Commune Transaction Point to conduct 01 transaction session on a fixed calendar date
  - + In VBSP having more than 15 transaction points, the Board of Directors consists of 03 people, including 02 Deputy Directors, review and re-arrange the network of transaction points of the commune to implement up to 02 transactions per day on a fixed date.
  - + In VBSP having more than 35 transaction points (currently 12 District transaction offices, accounting for 1.7%), in addition to 02 sessions in the morning, some more sessions in the

afternoon shall be arranged for Commune transaction points with low transaction scale and near the unit's office.

- Director of VBSP provincial branch authorizes the Head / Deputy Head of Planning Department of VBSP province to sign and approve the documents made at the Commune Transaction Point.
- VBSP units should review the scheduling of transactions too start on the 5th of every month and end on the 25th of every month, the maximum transaction duration must not exceed 4 hours / session; In the morning, it will end at 12pm, the afternoon transaction will end at 16:30 to ensure the safety and perform the daily work of lending VBSP and Intellect system.
- Adjust and supplement the tasks of the Team Leader and Supervisor in the Commune transaction team accordingly, ensuring the promotion of the roles and responsibilities of VBSP leaders and credit officers monitoring the area and the smooth coordination between members of the Commune transaction team, leaving no time for waiting of Team members or overlapping in performing tasks.

*6.2 Enhancing the capacity of VBSP staff, the role of the Chairman of the Communal People's Committee, the staff of the Commune Association and the Management Board of SCGs in transaction activities in the commune*

*6.2. 1. Capacity building for VBSP staff*

*6.2.1.1. Agree on the direction over transaction activities at the commune*

- Unifying the viewpoint in the direction and administration, i.e always giving priority on human resource, facilities, equipment for transaction activities in the commune, considering transaction in the commune as an important and regular task, work related to customers should be focused to process and complete in the session. Lending VBSP based on the ability to recover debts, credit growth plan and other tasks of each session to arrange staff appropriately, ensure transaction time, minimize organization of additional transaction session to collect debts and interests.
- At the commune transaction session, lending VBSP needs to focus personnel and equipment to serve the transaction activities of customers, saving labor time of officials, customers' time and take advantage of support and supervision of local authorities and mass organizations.
- Lending VBSP basing on regulations on assignment of officials for Commune transaction team, characteristics of the area, scale of policy credit, human resources at the unit to proactively review the whole existing network of Commune transaction point to arrange transaction dates, transaction time and personnel for each session appropriately. After reviewing, reorganizing, lending VBSP

should maintain a stable fixed transaction schedule for a long time, limiting the change of transaction dates and transaction times to create habits for people and relating organizations and individuals to come to Commune transaction points.

- Lending VBSP and VBSP provincial branches strengthen the inspection, supervision and self-examination of commune transaction activities in order to timely correct the shortcomings and limitations of commune transaction activities, especially focus compliance with transaction procedures and safety for transaction activities in the commune.

#### *6.2.1.2 Regularly training and coaching staff on transaction skills at the commune*

- Develop a video to guide quick manipulation skills when using commune transaction software, which will be incorporated into the lesson content in an online training program for credit officers and accounting officers to help officials dealing with customers and ensure time limits for transactions.

- Regularly organize training courses, skills training for officials, specify the factors affecting the transaction time so that officials can actively overcome, gradually improve the efficiency of transaction activities in the commune; disseminating experiences in using commune transaction software as well as collecting and disbursing cash for customers quickly, accurately, ensuring safety and preventing fake money.

- Thoroughly raising awareness of officials about the need to improve their working styles and practices, promoting civilized, polite, proper and disciplined transaction styles, improve interpretation and presentation skills.

- Every year, organize examinations for commune transaction operations including performance of operations in accordance with the process and ensuring the time norm. Officials who do not pass the exam, organize the retest, if 3 times fail to meet the requirements, they should not be arranged to participate in the Commune transaction team.

#### *6.2.2. Enhance the role of mass organizations*

- Train and guide entrusted mass organizations on methods of checking and supervising the operations of the SCG, checking the use of capital of the borrowing households and establishment of archives related to the entrustment activities.

- Collaborate with mass organizations at all levels to urge them to implement well the contents of the signed entrusted contract; to promulgate timely rectification of shortcomings in transaction

activities in the commune; turning transaction results in the commune into a criterion of grading the emulation of the mass organization on the entrusted task.

- Some contents requiring mass organizations to follow to improve the quality of transaction activities in the commune:

- + Strengthening the propaganda to the borrowers about the sense of repaying "borrowed and paid" and to voluntarily pay interest on a monthly basis, pay debt according to the agreement with the Bank, promoting the sense of savings of the borrower to create loan repayment capital, perform transactions with the Bank in accordance with the transaction schedule.

- + Urge the Head of SCG to participate in transactions with the Bank at the Commune Transaction Point on time, on the fixed transaction date. Strictly check the list No. 13/ TD, the deposit and payment statement of the Savings and Credit Group managed by mass organizations at the beginning of the transaction to ensure that it matches and fully complies with the regulations; summarizes the results of implementation of entrusted activities of the SCGs before joining the briefings with the bank; coordinates with the bank to discuss solutions to handle the shortcomings of the SCGs and the borrowing households.

- + Direct the SCG to strictly implement the use of interest collection receipts in accordance with regulations. Propagating for the borrower to understand the purpose of issuing interest receipt for the borrower to keep and self-check, compare interest, deposit, and loan balance.

- + Actively analyzing and evaluating monthly debts to make plans to urge debt collection and debt settlement in the transaction day.

- + Coordinating with VBSP to advise People's Committee at commune level to replace and consolidate weakly performing SCGs and SCGs of which management board did not comply with the process of collecting interests and deposits of borrowers and the contents of the signed entrustment Contract.

- + Strengthen the management and monitoring of borrowers, timely capture information that borrowers go to work away from home, leave the locality, borrowing households who are inactive for 3 months, work closely with lending VBSP to promptly and properly dealing with cases of borrowers facing risks due to objective reasons.

### *6.2. 3. Enhance the role of SCG*

- Training and guiding the Management Board of Savings and Credit Group on how to record on application list, payment statement, interest receipt, how to record the group meeting minutes, and

keep the group's records, how to save the SMS number of the bank, reading and understanding the content of the message sent by the Bank.

- Step by step provide pilot training for the Leader to input the results of interest collection, cash deposit and transfer principal and interest of members on the tablet system before transferring data documents, lists, deposits and transactions with Tellers.
- Based on the results of monthly evaluation and classification of activities of the SCG, entrusted mass organizations should actively consolidate the activities of the weak and average ranked groups; resolutely replace the Management Board the groups which have been classified as weak for 3 consecutive months or more.
- Continue to merge and consolidate SCGs with less than 20 members, consolidate SCGs in the same village in order to improve the operation efficiency of SCGs.
- Strictly and fully maintaining the Savings and Credit Group meeting periodically, the meeting for choosing eligible borrowers must ensure the process and participants; actively implemented contents signed with VBSP in the mandate contract.

#### *6.2.4 Improve the responsibility of the borrower*

- Entrusted mass organizations and the Management Board of SCGs must propagate to the borrowing households in the meetings and activities of the mass organizations about the rights and responsibilities in borrowing and implementing the Group's Convention. It is required to pay interest on a monthly basis, participate in full deposit members and repay debts as committed.
- Commune transaction team before disbursing to borrowers should disseminate the rules, rights and obligations of borrowers when borrowing capital at VBSP. In the localities of ethnic minorities, people need to use the dialect to help borrowers understand thoroughly about the use of capital, principals, interest payment, savings deposit.

#### *6.3. Strengthen inspection and supervision of transaction activities at the commune*

- Lending VBSP should strictly performs direct inspection and supervision of the commune transaction points monthly, input the results into the reporting information system. Every month, the provincial VBSP should check at least 20% of District Transaction Office, at each office check at least 01 Commune Transaction Point; lending VBSP should check at least 10% of Commune transaction points.



- Install cameras to support the monitoring of commune transaction activities in the whole VBSP system, controlling the compliance with regulations on communal transactions, timely detecting errors, violation then giving solutions appropriately.

- Summarize and evaluate the monitoring results: Periodically, the monitoring department should summarize the results of monitoring commune transaction activities via IP Camera and records the updates in the Commune transaction points evaluation software. Every month, lending VBSP's leaders base on supervision results from communes to evaluate the operation of Transaction points, rectify the shortcomings of the transaction sessions, if any.

#### *6.4 . Promote communication, emulation - commendation on transaction activities in the commune*

- Coordinate with Commune People's Committee and entrusted mass organizations to communicate for people to know about VBSP's transaction activities, commune transaction points, monthly fixed transaction dates and times and strictly follow.

- Promoting publicizing preferential credit policies of the State at commune transaction points; regularly review, supplement and replace public tables and signs at commune transaction points that have been lost or damaged; officials when joining the Commune transaction team should wear uniform and card with full name. Thereby contributing to creating a professional image of transaction activities in the commune.

- Lending VBSP should proactively cooperates with news agencies, central and local media, web portal of District People's Committee to propagate about transaction activities at commune of VBSP.

- Make a short clip of 3 to 5 minutes for in-depth propaganda about transaction activities in the commune and the clip may be in some languages of ethnic minorities.

- Launching emulation movements "Model commune transaction points", "Model commune transaction teams". Commending collectives and individuals with outstanding achievements, contributing to improving the quality of transaction activities in the commune.

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### **Dedication**

Not mentioned.

## Conflicts of Interest

There are no conflicts to declare.



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