SUMMARY OF THE PROJECT INFORMATION

1. **Project goals.** The project supports the Government’s overall objective of poverty reduction as laid out in the Government’s Resolution 80/NQ-CP on the Directions for Sustainable Poverty Reduction (2011-2020) and Resolution 15/NQ-TW on “Major Issues in Social Policies of the Period 2012-2020” of the Central Committee of the Communist Party. It seeks to provide a basis for sustainable poverty reduction through emphasizing the social assistance system’s role of investing in poor children to expand their life chances and break the intergenerational transmission of poverty. As such, a strengthened social assistance system would complement parallel ongoing supply-side interventions in education, health and nutrition focused on poor and near-poor households. Social assistance system strengthening as supported under the project also supports the overall objective of improving the efficiency of public spending on social assistance.

2. **The project development objective** is to support the Government in strengthening the social assistance system by developing innovations in management and delivery and by piloting these reforms in four provinces.

3. **Project components.** The project has three components: Component 1 will help put in place critical elements of a strengthened management and delivery system for social assistance nationwide. Component 2 will support the testing of the strengthened system through a consolidated social assistance program in four provinces for three years (Hà Giang, Quảng Nam, Trà Vinh, and Lâm Đồng). The consolidated program is named the “Cơ hội thoát nghèo truyền kiếp” or “Opportunity to move out of inter-generational poverty” program (“Opportunity program” in short) This program will replace cash benefits under Decrees 12 and 49 and Decision 268. Component 3 will provide support for program management and capacity building.

- **Component 1: Support to social assistance and poverty reduction system strengthening (US$ 32m)** Project activities under component 1 will help build more robust delivery mechanisms for social assistance and strengthen performance monitoring, which will be the basis for promoting program consolidation. This includes the following activities at the national level: (i) support to developing a national registry (i.e., a national database of potential beneficiaries of social assistance programs) including digitization of information of officially poor and near-poor households across all provinces; (ii) developing an integrated management information system (MIS) for social assistance programs for nationwide use; (iii) promoting program and process consolidation and strengthening service delivery through developing redefined operational processes, a new payment mechanism through an independent professional agency, and management arrangements based on the
new integrated MIS and field-based process monitoring; and (iv) support for policy, research and communication and outreach as well as comprehensive change management in order to build broad-based consensus at all levels. The project will develop these system improvements nationally, and test these using the pilot in the four pilot provinces. This component will also finance the administrative costs for implementing the Opportunity Program in four pilot provinces, including the use of an independent agency for making benefit payments, and the network of social collaborators. Finally, the project will support the remaining provinces in putting in place the necessary preconditions (guidelines, training, software and hardware) to utilize the strengthened system for social assistance management and delivery in a phased manner.

- **Component 2: Support for the launch of a consolidated social assistance program (US$ 25m)** Component 2 will support the launch of the consolidation process through the introduction of the Opportunity Program in the four pilot provinces. Approximately 210,000 poor households with children aged 0-15 will be provided a consolidated monthly benefit over three years (2016-2018) in these provinces. The Opportunity program is designed to help parents make better health, nutrition and education decisions for their children that will help reduce inter-generational transmission of poverty. This will be through: (i) providing cash for parents to invest in their children, (ii) encouraging beneficiary households to adhere to co-responsibilities around health and education-seeking behaviors, and (iii) supporting parents through a network of social collaborators who will visit the households regularly to provide parenting advice. The Opportunity program will provide a variable monthly benefit monthly benefit to eligible households for three years in the pilot provinces (the amount being determined by the current entitlements under the programs which it subsumes). Component 2 will provide gap financing for the benefits payments under the Opportunity program (i.e., in addition to the government budget provision for the programs being replaced) for a period of three years in the pilot provinces. The financing shortfall between the government budget for the existing programs for three years in the four provinces (US$92m) and total estimated cost of the Opportunity Program (US$117m) is due to the expanded coverage of the Opportunity Program. The gap financing of US$25m under Component 2 represents 21 percent of the estimated cost of the Opportunity Program in the four provinces for three years. The program will be implemented in the third year of the project, once the MIS and other elements of the delivery mechanism are in place.

- **Component 3: Program Management (US$3m)** This component would support the establishment of a Central Project Management Unit (CPMU) and four Provincial Project Management Units (PPMUs) to oversee the development of modern delivery systems, coordinate the consolidation of social assistance programs, manage and monitor the implementation of the Opportunity program and social assistance under Decree 67/13 and ensure appropriate fiduciary controls are in place. This component would also support regular monitoring of project performance as a whole, including preparation of progress
reports and audits. At the sub-national level, the project will rely on the PPMUs and the existing provincial, district and commune committees for program implementation and monitoring. The intent is to mainstream SASSP implementation as part of regular tasks and program delivery rather than create separate project management units.

4. **Project Beneficiaries.** There are two types of direct beneficiaries. First, local social officers responsible for implementing the existing overlapping social assistance programs will benefit through simplification of processes and associated reduction in workload. Second, beneficiaries of social assistance programs will benefit from improved management and delivery systems. This is in particular the case for social assistance beneficiaries in four provinces including Hà Giang, Quảng Nam, Trà Vinh and Lâm Đồng who will, as part of a pilot supported by the project, receive cash transfers and parenting advice in a timely and accessible manner.

**SUMMARY OF THE SOCIAL ASSESSMENT AND CONSULTATION WITH THE ETHNIC MINORITY COMMUNITIES DURING PROJECT PREPARATION**

5. The design and implementation of the SASSP is based on the recognition of the importance of and the need for formal social protection given Vietnam’s evolving poverty and vulnerability profile. Reducing fragmentation in social assistance and strengthening the delivery mechanism would make a greater share of resources available to poor children and children from ethnic minorities.

6. **Ethnic minority and Social Assessment.** The project focuses on system strengthening nationwide and in four pilot provinces, including Hà Giang, Quảng Nam, Trà Vinh, and Lâm Đồng. According to Vietnam Household Living Standard Survey VHLSS data, the share of beneficiary households that are from ethnic minority background are 96 percent in Hà Giang, 41 percent in Quảng Nam, 56 percent in Lâm Đồng and 33 percent in Trà Vinh, including major ethnic groups such as Mong, Tay, Dao, Nung (Hà Giang), Co Tu, Xo Dong (Quảng Nam), K’ho, Nung, Tay (Lâm Đồng), Khmer, Hoa (Trà Vinh).

7. Since ethnic minority people are present in the project area, the World Bank’s safeguards policy on Indigenous Peoples (OP 4.10) is triggered and a Social Assessment (SA) was conducted as per OP 4.10 as part of project preparation (see SA for details). The purpose of the SA is two-fold: (a) to explore potential positive and adverse impacts of the project (to inform the project design and to design mitigation measures) and (b) to consult with ethnic minority peoples present in the project area (in accordance with OP 4.10) and to confirm if they provide a broad community support for project implementation. In addition to the SA, various consultative workshops (in Hanoi, Quảng Nam and Lâm Đồng) and other local consultations have taken place since early 2012. Consultations done as part of the SA used in-depth interviews, focus groups discussions and field observation. Consultation with ethnic minority peoples is on the basis of free, prior and informed consultation to solicit feedback from ethnic minority peoples on the proposed interventions.

8. The SA confirms that the project impact is overall positive and that there is broad community support from ethnic minority peoples in the project areas for the project activities. As
indicated through consultation, given prior experience with existing cash transfer programs, respondents (including potential beneficiaries and non-beneficiaries) indicated their concurrence over the project’s potential positive impacts on immediate welfare as well as long-term poverty reduction amongst the project’s beneficiaries, including those who come from ethnic minority groups. The respondents, in particular, viewed cash benefits as a timely and useful budget support for poor households, especially those who are from ethnic minority groups, to improve their children’s access to education, healthcare and nutrition. Those consulted (through in-depth interviews and focus group discussions) also foresee the project interventions would make an improvement to the current fragmented and inefficient social assistance system. In fact, in areas where some elements of the reforms proposed under the project have been tested (e.g. cash transfer payments done through an independent payment agency for social insurance benefit payments), stakeholders (including beneficiaries) reported greater satisfaction in the levels of transparency, convenience and safety.

9. The SA reviewed the experience of these existing cash transfer programs (i.e., under Decree 49, Program 268, Decree 67/13, etc.). Most communities agreed there was widespread local support for cash transfers in reducing poverty and promoting schooling. A streamlined apparatus of state administration, education and health service providers and mass organizations from the central to the grassroots levels, in which a number of ethnic minority officials are engaged, has been established to deliver such programs. In several cases, local institutions (including from ethnic minority groups) have been engaged to effectively link the local government and different groups. At the same time, many participants in consultations also raised the following concerns about the existing delivery system: (a) poor access to information, with language barriers being cited as the main reason for not participating in community meetings, joining mass organizations, viewing information on the commune bulletin boards or being informed by community chiefs; (b) weak targeting of beneficiaries with perceptions of both exclusion and inclusion errors in the poor list; (c) lack of transparency, predictability and inadequate verification of beneficiaries in payment of cash benefits; (d) weak complaints handling mechanisms due to a lack of understanding the rules and process, especially amongst ethnic minority groups, and often apparent distance between local officials and the people; and (e) inadequate monitoring of the programs and lack of availability of monitoring data. Respondents felt that these problems were often exacerbated for ethnic minority groups due to cultural or language barriers. For instance, the consultations indicated that the extent to which various ethnic minority groups value and utilize education and healthcare services varies, indicating the need for greater communication and support along with the cash transfer.

10. The project design addresses these specific concerns highlighted by communities by strengthening the social assistance management and delivery system, including mechanisms for improved targeting, beneficiary payments management and support to grievance redress procedures and improved monitoring and evaluation. An additional concern was identified in the consultations with government officials, namely the possibility of dependency of beneficiaries on social assistance. Though local communities did not necessarily support this view, the project addresses this concern through the investment in a network of social collaborators who would be
responsible for supporting households in appropriate parenting practices, following culturally appropriate practices, and promoting the use of education and health services.

11. **Gender mainstreaming.** Data from the VHLSS suggest that gender is not a strong determinant of household poverty in Vietnam and human development outcomes for children do not display strong variations between girls and boys. Instead, there is evidence that ethnic minority girls and women are experiencing specific challenges in terms of access to health and education. During project preparation, gender consultation has been conducted along with the SA. Given the majority of project beneficiaries are from ethnic minority groups, gender mainstreaming has been integrated into the project design along with the elements typically required for an Ethnic Minority Development Plan. A separate Gender Action Plan, therefore, was not prepared. The project preparation confirms that gender consultation, gender mainstreaming (integrated into project design), and a monitoring and evaluation plan (for gender mainstreaming) were prepared to enable the project to track the progress made with regards to gender mainstreaming and to allow adjustment for enhanced effectiveness over the course of the project.

12. The design and implementation arrangement of the Opportunity Program supported under Component 2 is gender-informed, as suggested by the SA. First, cash transfers under the Opportunity program will be paid to women in their household. The SA suggests that women in potential beneficiary households, including among ethnic minority groups, keep the household income and typically spend most of it on food and on their children’s needs, including schooling and healthcare. There are almost no struggles between husband and wife to make a decision related to family expenditures. The fact that women keep family income, as indicated through the SA, is consistent with the common practice in Vietnam that women typically manage family’s financing. The other advantage is that since most program collaborators and parent leaders are primarily women, most of the village social collaborators that the project invites to participate will be women. Thus, it would be convenient for the participation of target beneficiaries in community activities, such as experience sharing, and building census for collective action. The social assessment also indicates that there would be no problem for them to participate in project activities. There are also no potential adverse impacts anticipated on household workload, family’s labor division, and their social relationship at the household and community levels.

**SPECIFIC MEASURES FOR ENSURING PROJECT INTERVENTIONS ARE CULTURALLY APPROPRIATE FOR THE PROJECT’S AFFECTED ETHNIC MINORITIES COMMUNITIES**

13. OP 4.10 (Indigenous Peoples) was triggered. As such, a Social Assessment was done and gender consultation conducted as part of the SA. In addition, elements typically required for an Ethnic Minority Development Plan (EMDP) have been incorporated into project design to ensure adoption during project implementation. The SA findings confirm the overall social impact of the project is positive and findings from this study have been incorporated into the design, implementation, monitoring and evaluation of the project. In addition, elements typically required
for an Ethnic Minority Development Plan (EMDP) have been incorporated into project design to ensure adoption during project implementation.

14. The SASSP addresses bottlenecks in the current social assistance that may have disproportionate impacts on ethnic minority groups (as identified in the SA). Thus, the SASSP would be expected to foster greater participation of ethnic minorities in the social assistance system by improving awareness, increasing transparency in beneficiary management and benefit payments, providing appropriate parenting support through the social collaborator network, and strengthening grievance redress and monitoring mechanisms. The Project Implementation Manual (and associated documents) will take into account the constraints and emerging requirements that have been reflected in the local consultations, including the following:

- The project communication strategy and local information campaigns will be customized to address the specific needs of different ethnic minority groups in terms of language and cultural relevance. The design of the communication strategy will take into account differences in how information is disseminated among different ethnic minority groups and leverage the presence of credible traditional institutional structures and formal and informal ethnic minority organizations in the project areas for dissemination. In addition, the use of village social collaborators allows providing support and counseling to ethnic minority beneficiary households in their language and culturally appropriate way. The social collaborators will be actively encouraged to support particularly hard to reach or vulnerable beneficiary households.

- The social collaborators will be identified from the local communities and will be selected and trained in a manner that they are sensitive to the needs and culture of the different ethnic minority groups in their area of operation. The parenting support strategy and materials will also be designed taking into account the cultural differences in parenting behaviors among different ethnic minority groups and specific behavioral changes to be addressed.

- The training of local officials, social collaborators and service providers will be culturally appropriate and gender informed. The SASSP will identify specific gaps through an assessment of training needs and develop an appropriate training strategy and materials to ensure that the project activities are undertaken in an inclusive and culturally suitable manner.

- Benefit payments would be made through an independent payment agency at fixed times and at a fixed location, making it more predictable and convenient for poor ethnic minority beneficiaries. Payments would be made to and managed by women in beneficiary households.

- Grievance redress mechanisms will be adapted to the needs of the specific ethnic minority groups in terms of language and cultural norms on complaints. In doing so, the SASSP will
enable the ethnic minority groups, including those with weak political connections, to register complaints.

- The SASSP’s expected outcomes will be monitored and measured as part of the result framework, as well as through a process evaluation of the service delivery innovations piloted through the Opportunity Program. These monitoring and evaluation arrangements for the project will include indicators that allow analysis disaggregated by gender and ethnicity.

**FRAMEWORK FOR ENSURING FREE, PRIOR, AND INFORMED CONSULTATION WITH THE AFFECTED ETHNIC MINORITY (INDIGENOUS PEOPLES) COMMUNITIES DURING PROJECT IMPLEMENTATION**

15. Consultation approach adopted during project preparation and during project implementation will be the same. The following techniques, including in-depth interviews, focus groups discussions, and field observation techniques, will continue to be applied to ensure validity and reliability of the consultation. For consultation with ethnic minority peoples, free, prior and informed principle is maintained. The consultation takes into account the social and cultural traits of target ethnic minority groups to ensure their feedback is based on full understanding of the project goal, project activities, and their potential impacts. The consultation findings were also shared with the ethnic minority peoples and stakeholders consulted to get their feedback. The Social Assessment report will continue to be updated when needed to reflect feedback from the field as the project is implemented.

16. It is confirmed that there are no foreseeable social risks or issues that go beyond the coverage of the safeguards policies.

17. **Social Safeguards Implementation Arrangement.** The key stakeholders are the following: national and local social officers responsible for implementing the existing social assistance programs, potential beneficiaries and the communities and village leaders in the four pilot provinces. MoLISA has prior experience with Bank’s social safeguards policies and has the capacity for implementing safeguard policies. During the first year of project implementation, training will be provided to Central Project Management Unit and Provincial Project Management Units to ensure that continued consultation with ethnic minorities peoples, and gender issues are addressed when activities unfold during project implementation. Training will be repeated, particularly for PPMUs on the basis of training evaluation and application outcome.

---

1 In Vietnam Indigenous peoples as defined as the OP 4.10 are denominated as Ethnic Minority Groups