

Vietnam: Governance and administration of social assistance – A rapid assessment and options for reform

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Abstract¹

The coverage of social assistance in Vietnam is expected to expand over the coming years in line with Government plans for further strengthening social security. This raises the question of whether the governance and administrative arrangements for social assistance at all levels are sufficiently robust to handle a larger program. This note provides a rapid assessment of the arrangements for delivering Vietnam's main social assistance program, social assistance under Decrees 67 and 13, and proposes options for further strengthening in the short and medium term. It aims to make a timely contribution to the ongoing policy discussions about strengthening social assistance as part of the implementation of the Social Security Strategy 2011-2020. The note reflects findings from visits to Ha Giang Province and Ho Chi Minh City in July 2010. It finds that the current delivery mechanisms for social assistance are basic, with limited human resources, no caseload management and no integrated database that would allow tracking of beneficiary numbers. While such basic governance and administrative arrangements may be appropriate for a small program such as social assistance under Decree 67 in the past, the expected increase in beneficiary coverage implies that program administration will have to be systematically strengthened and professionalized to ensure effective implementation. Moreover, the development of a modern system of social policy in Vietnam will also require the expansion of skills in social work, in particular of those currently involved in delivering social assistance and who will remain the main interface to current and prospective beneficiaries at the local level.

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Social assistance in Vietnam

1. **Social assistance is a small part of Vietnam’s overall social security and poverty reduction system.** The social security and poverty reduction system in Vietnam is based broadly on three mechanisms: (i) social insurance, with policies to extend access to health and pension insurance for poor and near-poor individuals; (ii) geographically targeted development and anti-poverty programs as well as budget equalization mechanisms to channel resources to poor provinces and poor districts, and (iii) household-targeted anti-poverty and social assistance programs.²

2. **Vietnam provides non-contributory social assistance cash transfers to different categories of the population.** Social assistance cash transfers are available under “Decree 67” to orphans, children and adolescents deprived of parental care, elderly living alone, people above the age of 85 without a pension, severely disabled unable to work, mentally disabled and poor single parents (see see Box 1). This program aims to tackle chronic poverty and vulnerability among people who are unable to provide for themselves through gainful employment. It is not per se designed to serve as a tool to cope with income shocks, as its eligibility criteria exclude households that fall into poverty who do not fit into any of the above categories. Decree 67 was introduced in 2007 and merged several separate programs into one. Provisions from Decree 67 were amended in Decree 13 in 2010.³ Vietnam also provides cash support to households affected by natural disasters. Moreover, there is a plethora of poverty reduction programs for a range of beneficiary types including poor households, laid-off workers, ethnic minorities and others to (i) promote access to credit, (ii) encourage labor export, (iii) enhance access to housing and land, and (iv) promote access to education and training. Lastly, people with national merit also have the right to non-contributory benefits, though strictly speaking this program should not be classified as social assistance. The analysis in this note focuses primarily on the governance and administration of Decree 67/13 social assistance.

Box 1: Social assistance under Decree 67/13

In introducing Decree 67 in 2007 the Government decided to recast the basic targeted social assistance benefit program and to increase its importance within the overall social security system. Decree 67 consolidated several social assistance benefits under several separate decrees, widened eligibility criteria and raised benefit levels. According to Decree 67, the following groups are entitled to monthly social assistance benefits:

- **Children and young people:** Eligible groups include orphans, abandoned children (and minors aged between 16 and 18 years who are in general education or vocational training) or, those who have nobody to rely on, and HIV/AIDS-infected children in poor households. It also includes families and individuals who adopt orphans or abandoned children.
- **The elderly:** Eligible groups include lonely elderly people in poor households or elderly people in poor households who have no spouse or other relative to rely on. The same holds for people aged 85 or older without pension or social insurance income.
- **People with special needs or health challenges:** This includes seriously disabled persons who are unable to work. It also includes people with a non-treatable mental disability. Also eligible are HIV/AIDS-infected persons in poor

² For more on Vietnam’s social security system see World Bank (2008) Vietnam Development Report: Social Protection and World Bank (2010) Vietnam: Strengthening the social safety net to address poverty and vulnerability, A Policy Note

³ This note refers to social assistance under Decree 67, updated by Decree 13, as “social assistance” for simplicity.

households who are unable to work and households with two or more seriously disabled persons.

- **Poor single parents or guardians:** Single persons in poor households who are raising children under 16 years of age (or under 18 years if their children are in general education or vocational training) are eligible.

The widening of eligibility criteria has led to a considerable increase in the number of beneficiaries from 416,000 in 2005 to about one million in 2008, accounting for around 1.2 percent of the population. This is still low in an international comparison. For example, Bulgaria's Guaranteed Minimum Income program, itself considered a small program, covered close to 4 percent of the Bulgarian population in 2007. According to the Bureau of Social Protection of MOLISA, old people (aged 85 and above) without pension accounted for 43 per cent of Decree 67 social assistance beneficiaries, people with disabilities for 25 per cent, the lonely elderly for close to 10 per cent, people with mental disability for close to 9 percent, single parents raising children accounted for close to 8 percent, with around 5 per cent other beneficiaries (Draft Vietnam Social Security Strategy, April 2010).

The adoption of Decree 67 in 2007 and an amendment through Decree 13 in early 2010 considerably raised benefit levels which now vary between VND 180,000 and 540,000 per month depending on eligibility criteria. It also introduced one-time emergency assistance in case of shocks such as death of family member, natural disasters or other impoverishing shocks. Some Decree 67 benefits are targeted to the poor based on the MOLISA poor list, while others are categorical. In fact, the amendments of early 2010 strengthened the categorical nature of the benefit by removing the requirements of being on the poor list for people unable to work.

The widening of eligibility criteria and increase in benefit levels raised budget allocations for social assistance programs under Decree 67 to around 0.15 percent of GDP in 2008, up from 0.05 percent in 2007 and previous years. Decree 67 stipulates that the program is funded from local budgets, though the Government can release funds from the central budget in case of significant funding shortfalls.

The draft Social Security Strategy 2011-2020 proposes to develop social assistance into a guaranteed minimum income program.

3. **The coverage of social assistance is expected to expand on the coming years, requiring robust delivery and administration systems.** An expansion of beneficiaries is already underway in the wake of Decree 13 and a reduction of the minimum age for Decree 67/13 social assistance from 85 to 80. Moreover, Vietnam plans to strengthen social assistance and to develop a system of guaranteed minimum income. In an article on the importance of social security in the Socio-Economic Development Strategy 2011-2020, Prime Minister PM Nguyen Tan Dung stated that it is Vietnam's intention "to ensure that each and every citizen, whose income is lower than the minimal rate, will receive social aid". The Social Security Strategy 2011-2020 sets out to "develop a flexible social assistance system which can timely deal with risks and events. The beneficiaries of social assistance will be expanded to cover all vulnerable groups". According to the strategy, "standard social assistance in 2011-2020 will be equivalent to 60% of the substantial living standard (to be defined); all people with living standards lower than the minimum level of the society will be entitled to social assistance".

4. **This note provides a rapid assessment of the current delivery mechanisms of social assistance under Decree 67/13 and to provide some ideas on ways to strengthen the system.** It does not represent a comprehensive review of the governance and administrative arrangements across all provinces but aims to make a timely contribution to the ongoing policy discussions about strengthening social assistance as part of the implementation of the Social security Strategy 2011-2020. The note reflects findings from visits to Ha Giang Province and Ho Chi Minh City and from a workshop with policymakers from provincial and central government level in July 2010.

Institutional and delivery aspects of social assistance

Roles and responsibilities

5. **Four levels of government are involved in the administration of social assistance benefits, and roles and responsibilities of stakeholders at various levels of government are clearly defined.** At the national level, program objectives and guidelines are set by the Ministry of Labor, Invalids and Social Affairs' (MOLISA) Social Assistance Department but implementation is left to Provincial Department of Labor, Invalids and Social Affairs (DOLISA) and the District Division of Labor, Invalids and Social Affairs (DivLISA), with a strong role for commune/ward agents as well⁴. Commune and District People's Committees (CPC/DPC) are involved in all stages of benefit administration, including budget estimates and allocation, entry of beneficiaries and payment of benefits. At each stage of the process, coordination is required with the respective branches of the Ministry of Finance (MoF) on budget allocation and use, and with other line ministries. Table 1 describes the basic roles and responsibilities of different government levels in the administration of social assistance.

6. **The financing responsibility for social assistance lies at the provincial level, based on overall budget allocations from the center, and Provinces retain considerable discretion in allocating expenditures across different social programs within the broadly defined budget line for "social services".** The annual budget for social assistance is estimated by the District People's Committee (DPC) on the basis of the expected number of beneficiaries⁵ and funds are ensured at the central level. Funding for social assistance is included within the social services budget line, together with support for individuals with national merit and other social assistance programs. Provinces and districts retain considerable discretion in allocating spending within this budget line and across programs. Availability of budget funds for social assistance does not appear to be a challenge, though the level of benefit is perceived by local officials and beneficiaries as low. Several Provinces, both richer and poorer, choose to increase the minimum benefit level of social assistance granted to individuals, as it is considered insufficient to guarantee minimum living standards.

⁴ Guidelines, roles and responsibilities of various parties are specified in Circular 09/2007-TT-BLDTBXH at the national level, which provides guidance to Provinces on the implementation of Decree 67/2007-ND-CP. Individual provinces are then responsible for issuing further instructions for the District and Commune/Ward levels.

⁵ Because budgets follow a five year planning cycle, any large variations in amounts requested over the previous year (such as after the introduction of Decree 67) need to be separately justified.

Table 1 Basic Roles and Responsibility in the administration of Decree 67 benefits

| | National - MOLISA | Province PC - DOLISA | District PC - DivLISA | Commune |
|------------------------------------|---|--|--|---|
| Beneficiary selection | Set policy and eligibility criteria | Receive requests from DPC for list approval | DivLISA appraises and submits eligible applications to DOLISA. In case of doubt, decision by DPC. DivLISA also submits to DPC Chair any revision of list or level of assistance. DivLISA send hard and soft copy list of beneficiaries to DOLISA | Commune/Ward PC responsible for receiving completed application forms and for posting basic information on eligible beneficiaries for 30 days at CPC office. If there are no complaints, CPC submits list to the District. CPC also responsible for monitoring changes of beneficiaries and submitting revisions of the list to DivLISA Ward/commune sends hard copy list of beneficiaries monthly to DivLISA |
| Level of assistance | Set policy (coefficients by category) and minimum level of assistance | DOLISA formulates proposal on level of assistance (upward revisions) and submits to PPC Chair for decision | | |
| Payments⁶ | | | DivLISA delivers funds to the CPC or, in some cases, pays directly | CPC conducts payments once a month. |
| Verification and Monitoring | | | DPC reports on the situation and outcomes of implementing the social assistance policy to DoLISA and the PPC twice a year | DPC reports number of beneficiaries and implementation of social assistance policy to DivLISA and the DPC twice a year |
| Promotion/ Communication | | Training of district staff | Training of commune and village staff | CPC conducts public information in cooperation with mass organizations and village staff |
| Budgeting | | PPC estimates budget and fund allocation for | DPC estimates budget for social assistance | |

⁶ Schüring et al. (2009) identifies four payment mechanisms: (i) The commune pays out directly to the beneficiary and the beneficiary confirms the receipt of money with his/her signature. The commune keeps one receipt and forwards another copy to the district level; (ii) The commune pays out to the hamlet who in return pays out to beneficiaries. The hamlet confirms the receipt of money with his/her signature. One receipt is kept at commune and the other one is forwarded to the district level. Receipts signed by beneficiaries are kept at the village level; (iii) The commune uses a private agent, often nominated by the community, to pay out the money to beneficiaries on its behalf. Beneficiaries confirm the receipt of money with their signatures, which are handed over to the commune. The commune keeps one copy and forwards the other to the district level; and (iv) The commune is bypassed in the payment system and the district pays out directly to beneficiaries in case the commune is either dysfunctional or not easily accessible. The district keeps the copy of the receipts.

| | | | | |
|--|--|---|---|--|
| | | districts and submits to People's council for decision. | and conducts final accounting of regular and irregular social assistance DivFin approves budget estimates and ca | |
|--|--|---|---|--|

Source: Authors' notes

7. **High workload combined with lack of administrative budgets and limited capacity of social officers, particularly at the lower levels of government, are a challenge in the delivery of social assistance.** At lower government levels, officers in charge of the delivery of social assistance benefits are usually responsible for a variety of tasks related to the social sectors and other local services⁷, in a geographic rather than functional division of labor. This arrangement is instrumental in taking advantage of deep knowledge of the communes, but because of the limited number of staff positions and lack of training opportunities it can also result in a high workload and a low degree of specialization of social officers. One DivLISA worker plus commune staff will often handle all aspects of beneficiary management, payment, monitoring and reporting, as well as front-line interface with beneficiaries. This can lead to significant strain, particularly when beneficiary numbers are growing and responsibilities for tracking, training, communication campaigns, monitoring and payment increase. There are also limited opportunities for training related to policy changes.

8. **In addition, a lack of dedicated administrative budget to perform functions assigned by Decree 67 puts additional pressure on the administrative structure.** Local officials note that the lack of funding provided for operational and administrative costs (communications, stationery, photocopying for free distribution of application forms and documents as well as translation to overcome language barriers) has undermined the effectiveness of service provision and prevented better flow of information, especially at the commune level. DoLISA, DivLISA, and Ward and Commune Peoples Committees WPC/CPC have to tap other budgets to cover the operational costs of social assistance work. In some districts these costs are at times passed on as implicit charges to beneficiaries, who have to photocopy their own forms. Decree 13, which replaces Decree 67, addresses some of these concerns by specifying that funds for dissemination of program information, surveys, application of information technology, beneficiary management and payment activities of social subsidies – all activities that were previously not assigned a budget – be provided from the local level budget. However, it is unclear whether such resources will be available in practice in the short run.

9. **The further expansion of social assistance benefits and the development of the social assistance system more generally will require strengthening service delivery capacity from the center to the local level.** In the short term, a large expansion of social protection staff at the local level is unlikely. Resource constraints prevent the creation of a significant formal designated cadre of social workers at the district or even commune level in the near future. However, formalizing the division of responsibilities and assigning adequate resources would be instrumental to more clearly align policy makers, providers' and beneficiaries' incentives. A first important step would be to recognize the

⁷ At the central level, MOLISA's Social Assistance Department has seven divisions: (i) poverty reduction, (ii) social policy, (iii) social activities, (iv) emergency relief, (v) disabilities, (vi) planning and finance and (vii) administration.

professional role played by social officers at the local level and formalize their role by developing job descriptions and offering further training in social work through in-service professional development programs. In the medium to longer term, widening the local level staff with trained social workers down to the commune level will be instrumental for strengthening and professionalizing local level service delivery, together with the provision of dedicated administrative budgets to perform essential social assistance functions.

Beneficiary selection and targeting

10. **Information about social programs is easily communicated to target groups at village/neighborhood meetings and through the existing networks of mass organizations, though access to information may be a challenge in remote areas and for some vulnerable groups.** The communication and outreach strategies to inform potential beneficiaries of their rights and to seek people in need of social assistance are established at the provincial level. DoLISA holds training sessions to provide instructions and guidance to DivLISA staff and ward social officers who later promulgate the information. The most common forms of communication include CPC bulletins, verbal communication by commune officers and village and neighborhood committees, TV/radio or a loudspeaker system. Representatives of mass organizations who have a close relationship with and good knowledge of local households help citizens understand existing programs and recommend citizens whom they find eligible. Nonetheless, it may be hard for certain groups to access information. The most common reasons for exclusion include language and literacy barriers (particularly for minority groups who do not speak or read Vietnamese), living in remote locations, lacking time to participate in neighborhood meetings or non-membership in mass organizations. This is particularly true for migrants, individuals who spend most of their time on agricultural livelihood activities and for women who are engaged in household duties.

11. **Categorical eligibility criteria are defined in Decrees 67 and 13, but leave some room for discretion in the determination of eligibility.** Social assistance in Vietnam currently relies on categorical targeting generally linked to ability to work, not income targeting. Requirements for particular categories, such as the disabled or orphans, are not always specific and can lead to confusion when reviewing applications. This can make it hard for social officers and review panels, in particular, to make decisions on individual cases and adds an element of discretion to the selection of beneficiaries.

12. **Beneficiary selection is through a community-based mechanism with a panel that decides on every application.** This review panel is chaired by the vice head of the CPC and consists of the commune social officer, representatives from mass organizations and, in some cases, village chiefs. The review panel considers the application including medical certificates for people with a disability that are issued by authorized medical institutions.

13. **Complementing the system of categorical targeting with income targeting can rely on developed capacities for targeting of the poor list, though these would need further strengthening.** Commune level selection of beneficiaries on the poor list is well established and has been practiced for years. However, the poverty list has been subject to considerable inclusion and exclusion errors in the past. Whether household income is above or below the threshold is decided through a combination of

surveys and community discussions, and anecdotal evidence suggests considerable churning of households onto and off the poverty list. Analysis reveals discrepancies between the results of the identification of the poor list and that using household survey data (Nguyen Viet Cuong and Valerie Kozel, 2010). Moreover, although the current listing procedures at commune level appear to do a reasonable job of ranking people by income status within communes, doubts remain about the consistency of the effective poverty line across communes (Nguyen and Rama (2007). While the poverty list targeting mechanism that relies on local administration and knowledge has thus become a respected tool, it is subject to ongoing improvements, including the introduction of proxy-means elements that are more closely linked to correlates of income poverty measure through the household survey.

14. **A clarification of eligibility criteria is needed to ensure an even more transparent and homogenous application of existing rules. Moreover a greater reliance on income targeting as opposed to categorical will need to be considered as social assistance is expanded under the new Social Security Strategy.** In the short term, social officers and review panels would benefit from greater guidance and a clarification of eligibility criteria for certain categories of beneficiaries, such as the disabled, for example, to reduce discretion in the distribution of benefits. The high level of involvement of the community in the beneficiary selection process is a strength of the Vietnamese system. The development of social assistance into a system of guaranteed minimum living standard over the medium term will require the introduction of income-based targeting (to ascertain that an individual lives below the minimum living standard), instead of or in addition to the currently used categorical targeting.

Benefit payment

15. **Benefits are paid on a monthly basis typically at the commune/ward level either by commune or district officials.** The cost of delivery is considerable, due to the substantial human resources required in what is largely a manual system. Social assistance payments are not always combined with delivery of other social benefits, requiring multiple trips for beneficiaries as well as social officers in charge of the payments. Payment frequency appears to be regular overall, at least in the better off provinces, but remains a problem in more remote and lower capacity areas. Most of this variation can be attributed to a combination of remoteness of location and central responsibility for benefit payment, as some Districts decide not to delegate responsibility for payments to the commune level. The reasons for maintaining control of this function at the district level include low qualifications of commune officers (some are not fully literate), overload of commune workers due to shortage of staff⁸ and security concerns in keeping large sums of cash at the commune level, as safes are not secure.

16. **Responsibility for payment of benefits is separate from selection of beneficiaries, reducing the risk of fraud or corruption.** The list of beneficiaries has to be approved by the People's Committees at various levels, so there is a division of responsibility between those in charge of selecting beneficiaries and those issuing payments (usually the ward social officer, or the district in some cases). In terms of verification of payments, responsibility for checking errors at the end of the year lies with DivLISA, as

⁸ Some CPCs in mountainous provinces do not have full-time officers in charge of social policy. As commune areas are large and travel times long, all commune officers have to take multiple positions. The commune accountant often takes the role of a social policy officer. According to Decree 92/2009-CP, CPCs will have full-time social policy officers, which may improve the situation.

DivFin does not have enough staff for systematic inspection. However, this is typically random, and not comprehensive, checking. DivFin later carries out final accounting with submitted evidence of payment from DivLISA. DoF then appraises final accounting of the district level and there are no additional internal or external audits.

17. **To improve the efficiency of the payment system as the number of beneficiaries, and of transactions, increases, the Government is considering piloting electronic payment systems through alternative service providers.** Different arrangements are being considered to optimize payment of social assistance, for example through the post office system or local banks. Moving away from a manual payment system could increase transparency and accountability and reduce errors and costs, particularly in the context of a program expansion that would add to the number of transactions required every month. It could also free up processing time of local social officers currently involved in the delivery of cash benefits, increasing their ability to concentrate on other service delivery functions such as communication and outreach to beneficiaries. International experience suggests that a transition to electronic payment will imply short-term investment costs, but the delivery cost will be lower in the long term compared to traditional delivery mechanisms (Pickens et al., 2009). This holds particularly in the context of expanding beneficiary numbers.

Verification and monitoring

18. **There is no unified registry of beneficiaries for social assistance, and information is transmitted and stored mainly on paper.** District social affairs divisions typically keep simple Excel files with beneficiary information but do not routinely transfer this data to province or central levels. These files are typically created on the social officer's own initiative, and there is no requirement to share, store or update. In practice this means that, with frequent turnover of social officers, these files can disappear and do not represent a formal registry and can get lost. The formats of the files differ across districts and provinces. Files are often not shared electronically and some electronic data is removed after a short period of computer storage, as personal records of beneficiaries are kept in paper forms at the DivLISAs. MOLISA has no up-to-date data on beneficiary numbers and actual spending. Files from the district level are transmitted to the province level with a significant lag, and data are not consolidated to create a unique dataset, missing an important opportunity for cross-checking of beneficiaries across districts and monitoring the program at the national level.

19. **Responsibilities for monitoring and evaluation are divided among different levels within MOLISA, DOLISA and DivLISA branches, but there is no consistent and standardized procedure at the national level.** Periodic monitoring and supervision visits are organized at the province and district levels to oversee implementation and identify and address problems. Human resources are scarce and therefore the overall frequency of visits is quite low. More comprehensive monitoring by DivLISA staff takes place when they can afford the time, usually once a year. Randomly chosen, the visits generally include DivLISA's head, accountant, and the social policy officer, and they assess performance based on proper processing of applications, inclusion of all potential beneficiaries, correct and on-time payments, and the existence of complaints. Monitoring visits tend to look at different issues across communes, and are no replacement to an integrated information system on the delivery of social assistance. Moreover, there is no coherent monitoring and evaluation framework, or systematic evaluation of policy results.

20. **Verification and monitoring systems for social assistance are appropriate for a program of small size, but an expansion of social assistance would put these systems under strain.** A simple and inexpensive first step in strengthening the system would be to develop a common electronic format for maintaining beneficiary records, which could then be consolidated at the provincial and central levels on a periodic basis. This would maintain updated information on the number and characteristics of beneficiaries. It would also allow for more systematic planning, budgeting and monitoring, including cross-checking of beneficiaries across districts and audits. This could provide the basis for the development, over the longer term, of a unified beneficiary registry for managing multiple programs. In order to conduct a proper evaluation of social assistance programs and inform program and policy decisions, critical information would involve more systematic process and impact evaluations.

21. **The understanding on the impact of social security programs would greatly benefit from their reflection in the household surveys.** The Vietnam Household Living Standard Survey (VHLSS) questionnaires in the past either did not include all relevant programs or different programs were lumped together in one question. For example, VHLSS 2008 did not include Decree 67 social assistance in the questionnaire. Inclusion of the key social security programs in household surveys will allow analyzing coverage of the poor, targeting performance and the performance of benefit programs in reducing poverty.

Grievance redress

22. **People can place complaints related to social assistance through the system of service delivery.** When people want to place a complaint related to social assistance, a first point of contact is usually the neighborhood chief, but citizens can also address directly the CPC/WPC's social officer at commune/ward meetings. Complaints are usually resolved at the village level, with citizens applying to the village chief and party chief with their cases. Only if these cannot be resolved are they sent to the commune level, but this is not common⁹. Complaints are most frequently related to instances of unclear eligibility criteria, for example, regarding people with disabilities.

23. **While there are ways for people to place complaints, the current system does not provide a systematic channel for grievance redress.** Complaints can serve as a useful source of information to central policymakers and local service providers about system performance but only when they are systematically recorded and tracked. The feedback system for social assistance and other social programs in Vietnam relies on existing spaces for discussion that are rooted in the government's organizational structure. Minutes of these meetings are taken and records of the hearings are kept. However, once this information is recorded, it does not appear to be consulted or tracked in any way and therefore cannot be used either to inform policy decisions, or to provide follow up of individual cases. This also prevents the system from working as a more effective social accountability mechanism.

24. **As social assistance grows in size and complexity there will be greater scope for process improvement, which would greatly benefit from a more structured system to receive and address feedback and complaints.** In the short term, program officers could begin keeping track of feedback

⁹ A commune visited in Ha Giang, for instance, reported that only 2 cases regarding D67 had been taken to the commune level in the past.

content and results to inform program decisions and improve service. In the longer term, feedback channels can be formalized as part of a more comprehensive Management Information system. These should include tracking of feedback and follow up response actions, as well as of final outcomes.

Conclusions

25. **Overall, the administration of the system appears to have been adequate for the relatively small number of beneficiaries of social assistance so far.** In particular, strong political commitment, clear procedures, reliable financial flows, committed staff and a strong participatory process for the selection of beneficiaries, are important elements of strength within Vietnam’s social assistance administration. However, the system is beginning to show signs of strain as a result of an ongoing expansion of beneficiaries.

26. **Social assistance administration has reached a point where further expansion of coverage will require a systematic strengthening and professionalization of the delivery mechanism.** The consolidation of several previously separate social assistance benefits under Decree 67, the expansion of eligibility criteria under Decree 13 and the higher level of benefits put additional pressure on the existing administrative structure. This is particularly true at the provincial and district levels, which do not at the moment dispose of administrative budget resources to deal with benefits administration. The development of a more comprehensive safety net system and of modern social policy will require a substantive overhaul of benefit administration. In particular, this could involve

- a *professionalization of frontline staff* at districts and commune levels, with capacity building in social work and administration;
- further development of *targeting methods*, including possibly the inclusion of income criteria in addition to categorical targeting criteria;
- modernize *payment mechanisms* including through electronic payment such as bank transfers;
- the development of an *integrated beneficiary registry* to allow for case management and better tracking of beneficiary cases;
- The systematic *strengthening of monitoring and evaluation* through regular analysis of (i) administrative data from the registry and (ii) data on benefit incidence from household surveys;

Table 2 summarizes short and medium term policy options across various elements of benefit administration.

Table 2 Summary of main policy recommendations

| | SHORT TERM | MEDIUM TERM |
|-----------------------------------|--|--|
| Institutional Arrangements | Train social assistance officers in social work skills | Clarify roles and responsibilities for social program officers at districts and commune levels, with dedicated administrative budget; Explore options for strategically recruiting social workers to serve particularly vulnerable local communities |
| Beneficiary Entry | Clarify eligibility criteria (e.g. for disabled) | Review targeting methodology; look at options for using across programs. |

| | | |
|----------------------------------|--|---|
| Payment Arrangements | Learn from pilots of payments through post offices, local banks, other | Scale-up pilot results |
| Monitoring and Evaluation | Develop a common format for maintaining beneficiary records; Ensure coverage of social programs in the VHLSS | Develop a unified beneficiary registry for managing programs Regular process evaluation, and impact evaluation |
| Access to Information | Identify local opportunities for expanding access to information about programs (e.g. training village chiefs, displaying information in a non-verbal way, using different languages, handing out an information letter to each beneficiary) | Include budget for communications/dissemination and translation in administrative budget. |
| Feedback and Complaints | Start keeping track of feedback content and results to inform policy | Formalize feedback channels and response as part of MIS |

Areas for Future Work

26. The field work undertaken during the preparation of this Note identified key issues and policy options for upgrading Vietnam’s social assistance program. It also flagged questions and topics for further analysis as the implementation of the Social Security Strategy gets underway. As a start, these issues include the need for:

- *A better understanding of the incentives facing officials at the commune, district and province levels.* There is a need to understand the incentives that each level faces related to targeting and financing of the program.
- *More detailed documentation of the implementation of Decree 67 and the changes under Decree 13.* This would include better documentation of expenditures on Decree 67 at the local level, including a breakdown of spending on regular and emergency benefits; and an estimate of the size of the expected increase in coverage and spending under Decree 13.
- *A review of the needs of beneficiaries, including the types of shocks faced and a review of targeting criteria.* It will be critical to assess and subsequently monitor whether the proposed expansion of social assistance meets the needs of poor and vulnerable groups, e.g. poor/near-poor households facing shocks, poor/near-poor households with children, etc.
- *Technical design of a social assistance program that would secure a guaranteed minimum income for those in need.* Such a program is a departure from the current categorically targeted social assistance as set out in Decrees 67/13 as it would rely on income targeting.

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