

**INTEGRATED SAFEGUARDS DATA SHEET  
APPRAISAL STAGE**

**Report No.: ISDSA6965**

**Date ISDS Prepared/Updated:** 05-Dec-2013

**Date ISDS Approved/Disclosed:** 19-Sep-2013, 06-Dec-2013

**I. BASIC INFORMATION**

**1. Basic Project Data**

<b>Country:</b>	Vietnam	<b>Project ID:</b>	P123960
<b>Project Name:</b>	Social Assistance System Strengthening Project (P123960)		
<b>Task Team Leader:</b>	Puja Vasudeva Dutta		
<b>Estimated Appraisal Date:</b>	20-Sep-2013	<b>Estimated Board Date:</b>	21-Jan-2014
<b>Managing Unit:</b>	EASHS	<b>Lending Instrument:</b>	Investment Project Financing
<b>Sector(s):</b>	Other social services (100%)		
<b>Theme(s):</b>	Social safety nets (100%)		
<b>Is this project processed under OP 8.50 (Emergency Recovery) or OP 8.00 (Rapid Response to Crises and Emergencies)?</b>			No
<b>Financing (In USD Million)</b>			
Total Project Cost:	62.50	Total Bank Financing:	60.00
Financing Gap:	0.00		
<b>Financing Source</b>			<b>Amount</b>
BORROWER/RECIPIENT			2.50
International Development Association (IDA)			60.00
Total			62.50
<b>Environmental Category:</b>	C - Not Required		
<b>Is this a Repeater project?</b>	No		

**2. Project Development Objective(s)**

The project development objective is to support the government of Vietnam in strengthening the social assistance system by developing innovations in management and service delivery nationwide, and by piloting these innovations in the four project provinces.

**3. Project Description**

Vietnam's economic and social transitions from a low to a middle income country, from an

agricultural to an industrial economy and from a young to an aging society are focusing the attention of policy makers towards systematically strengthening the formal social protection system. Formal social protection, including social assistance, has been increasingly replacing traditional informal intra-family or community support mechanisms as the latter weaken due to migration and the transition from extended, multi-generational families to nuclear ones. While Vietnam's traditional formal poverty reduction policies emphasized in-kind and geographically-targeted programs addressing structural sources of poverty in remote regions, the use of household- and individual-based cash transfer programs has substantially expanded over the last few years. However, a close examination of Vietnam's current formal social assistance and poverty reduction system reveals important policy and implementation gaps that risk hampering long-term poverty and vulnerability reduction.

Vietnam's social protection system today suffers from fragmentation of multiple poverty reduction and social assistance programs with overlapping objectives but separate budgeting and delivery mechanisms. There are about a dozen additional cash transfer programs, both regular and one-time. These include most prominently (i) monthly cash support to the disabled, orphans, single parents and lone elderly without means under Decree 136/2013/ND-CP (earlier 67/2007/ND-CP, amended by Decree 13/2010/ND-CP), (ii) a small monthly cash transfer to poor households to offset recent increases in energy prices under Decision 268/QĐ-TTg, (both delivered through local social officers) and (iii) a cash transfer to children from poor households in school for nine months per year delivered through the education system under Decree 49/2010/ND-CP. In 2013, a new program was developed to give additional education support to high school students in remote and difficult areas (under Decree 12/2013/ND-CP). This fragmentation creates considerable inefficiency both from the perspective of the implementers and the beneficiaries.

At the same time, the system does not provide adequate protection. Benefit incidence analysis on the basis of the 2010 VHLSS shows that the main existing social assistance programs have limited coverage of the poor, considerable leakage to the non-poor and low benefit adequacy. For example, in 2010, only 24 percent of bottom quintile households were covered by education subsidies and 12 percent by Decree 136. At the same time, 43 and 54 percent of spending under these programs respectively accrued to bottom quintile households. Education subsidies and Decree 136 accounted for 4 and 17 percent of consumption of bottom quintile households. Moreover, delivery systems for social assistance programs are weak, resulting in ineffective service delivery.

Recognizing changing needs and increasingly binding constraints, Vietnam is increasing its efforts to strengthen key elements of its social protection system including non-contributory social assistance. In 2012 the Central Committee of the Communist Party of Vietnam (CPV) adopted Resolution 15/NQ-TW on "Major Issues in Social Policies of the Period 2012-2020" to help ensure by 2020 a "guaranteed minimum level in income, education, health care, housing, clean water, and information and communication, thus contributing to gradual improvements in incomes and ensured safe, equitable and happy life for the people". The Resolution specifically highlights the need to consolidate and modernize the management of programs and policies, including with modernized payment mechanisms and with an integrated beneficiary database, to ensure less fragmentation and overlaps of programs. The vision of the Resolution has several implications. First, the role of social assistance in the poverty reduction policy framework for the next five-year plan (2016-2020) is set to become considerably more prominent. Second, the new poverty reduction framework will allow for a change in the mix of programs and a consolidation of the current multiple cash transfer programs into fewer ones. Third, in Vietnam's highly decentralized structure, it will provide a high-level policy directive to encourage provinces in moving towards greater consolidation.

The SASSP will support the efforts by the Ministry of Labor, Invalids and Social Affairs (MoLISA) to implement Resolution 15/NQ-TW in developing solutions for social assistance system modernization and consolidation of programs and processes. It will also initiate the modernization process in four provinces. In doing so, the project is expected to lay a solid foundation for further program consolidation and deployment of a modern delivery system in all 63 provinces across Vietnam during the next Socio-Economic Development Plan (SEDP, 2016-2020).

The SASSP has three components: Component 1 will help put in place critical elements of a strengthened management and service delivery system for social assistance nationwide. This information and process consolidation will provide the foundation for promoting program consolidation and will be accompanied by comprehensive change management in order to build broad-based consensus for rolling out these reforms across the remaining provinces. In the third year of the SASSP, Component 2 will support the testing of the strengthened system through a consolidated social assistance program in four project provinces (Hà Giang, Quảng Nam, Trà Vinh, and Lâm Đồng) for three years. 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) and will replace cash benefits under Decrees 12 and 49 and Decision 268. Component 3 will provide support for project management and capacity building. Project activities are sequenced to first develop innovations and strengthen the social assistance management and delivery system, then test these innovations in four project provinces and finally to support remaining provinces in putting in place the necessary preconditions to adopt the strengthened system

Component 1: Strengthening the social assistance and poverty reduction system (\$27m): Component 1 will support the development and testing of improved mechanisms for social assistance delivery and management, including the following: (a) building a national database of social assistance beneficiaries and an integrated MIS for nationwide use; (b) developing a social collaborator network in the four provinces (see Box 2) and supporting communication for development (C4D) activities at the national level and in the four provinces, including provision of remuneration for social collaborators; (c) developing and implementing a grievance redress mechanism in the four provinces; and (d) developing and implementing a monitoring and evaluation system in the four provinces and providing support for policy formulation at the national level and in the four provinces. Component 1 will also support the remaining 59 provinces in putting in place the necessary preconditions (i.e., guidelines, training, software and hardware) to utilize the strengthened system for social assistance management in a phased manner.

Component 2: Launching a consolidated social assistance program (US\$30m): Component 2 will test the mechanisms developed under Component 1, through the launching of social assistance consolidation, including the following:

- Component 2(a): Provision of the pre-identified financing shortfall for benefit payments for the Opportunity Program (i.e., in addition to the government budget provision for the three programs being replaced) in the four project provinces for a period of three years. The financing shortfall between the government budget for the three existing programs for three years in the four provinces and total estimated cost of the Opportunity Program is due to the expanded coverage of the Opportunity Program (see Box 2). The program will be implemented in the third year of the project, once MIS capabilities and other elements of the strengthened service delivery mechanism are in place.
- Component 2(b): Provision of the service fee of an independent payment agency (VN Post) for paying the cash transfers under the Opportunity Program and Decree 136 as well as paying the

monthly allowance of the social collaborators. By testing the new payment mechanisms for both the Opportunity Program and Decree 136, the SASSP promotes process consolidation.

Component 3: Project management (US\$5.5m): This component will provide project management and capacity building support. A Central Project Management Unit (CPMU) and four Provincial Project Management Units (PPMUs) will be established to oversee the development and testing of the strengthened social assistance management and delivery system, coordinate the consolidation of social assistance programs, manage and monitor the implementation of the Opportunity Program and ensure appropriate fiduciary controls are in place. This component will 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 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.

The project design has benefited from a partnership between MOLISA, UNICEF, DFID and the World Bank. This partnership will continue and the SASSP will be complemented by further technical assistance. This will allow providing necessary start-up assistance and capacity building even prior to SASSP effectiveness.

#### **4. Project location and salient physical characteristics relevant to the safeguard analysis (if known)**

Project implementation will be at the national level and in the four project provinces, i.e. Hà Giang, Quảng Nam, Trà Vinh, and Lâm Đồng. The project provinces have a high share of ethnic minority peoples, in particular among the poor who will benefit from the Opportunity Program.

#### **5. Environmental and Social Safeguards Specialists**

Tuan Anh Le (EASVS)

Thuy Cam Duong (EASVS)

<b>6. Safeguard Policies</b>	<b>Triggered?</b>	<b>Explanation (Optional)</b>
Environmental Assessment OP/ BP 4.01	No	The project is not expected to have any potential adverse impacts on environment and human. Thus it is categorized as C and, beyond screening, no further environmental action is required.
Natural Habitats OP/BP 4.04	No	The project does not have any impacts on natural habitats.
Forests OP/BP 4.36	No	The project will not finance activities that would involve significant conversion or degradation of critical forest areas or related critical natural habitats as defined under this policy.
Pest Management OP 4.09	No	The policy is not triggered since the project (a) will not procure any pesticides, nor (b) will the use of pesticides increase as a result of the project.
Physical Cultural Resources OP/ BP 4.11	No	There are no civil works funded under the project. As such, the project will not affect sites

		with archeological, paleontological, historical, religious, or unique natural values.
Indigenous Peoples OP/BP 4.10	Yes	<p>The project focusses on system strengthening nationwide and in four project provinces, including Hà Giang, Quảng Nam, Trà Vinh, and Lâm Đồng, where there is high percentage of poor and pro-poor households and a large part of the intended target beneficiaries are from ethnic minority groups. According to the Vietnam Household Living Standard Survey (VHLSS 2010), the share of households that are from ethnic minority groups are estimated as 96 percent in Hà Giang, 41 percent in Quảng Nam, 56 percent in Lâm Đồng and 33 percent in Trà Vinh in 2010. These include major ethnic groups such as Mong, Tay, Dao, Nung (Ha Giang), Co Tu, Xo Dong (Quang Nam), K'ho, Nung, Tay (Lam Dong), Khmer, Hoa (Tra Vinh).</p> <p>As a large part of target beneficiaries are from ethnic minority groups, a stand-alone Ethnic Minority Development Plan (EMDP, equivalent to Indigenous People's Policy) was not prepared. Instead, the key elements of a EMDP have been incorporated in the project design, and implementation and monitoring and evaluation plan.</p> <p>Because ethnic minority peoples are present in the project area, the Bank's OP 4.10 (Indigenous Peoples) is triggered. A Social Assessment was conducted in accordance with OP 4.10. The purpose of the SA was 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 and to confirm if they provide a broad community support for project implementation.</p> <p>The SA confirms that the overall project impact is 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 viewed cash benefits as a timely and</p>

	<p>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 agreed that the project interventions will make an improvement to the current fragmented and inefficient social assistance system. As such, the respondents viewed 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.</p> <p>Gender consultations were also conducted along with the SA. The project interventions and monitoring and evaluation plan integrate various elements of gender mainstreaming. As a result, a separate Gender Action Plan was not prepared and The SA suggests that women in beneficiary households, including those from ethnic minority groups, often manage the family income and typically spend most of it on food and on their children’s other needs, including schooling and healthcare. The SA indicates it will be convenient for the participation of target beneficiaries (both men and women) in community activities, such as experience sharing, and building census for collective action. There are no potential adverse impacts anticipated on household workload, intra-household labor division, and social relationships at the household and community levels.</p> <p>Findings from the SA have been incorporated into the project design and the project implementation and monitoring and evaluation plans.</p> <p>Overall, the project design ensures ethnic minority peoples in the project area receive project benefits that are culturally appropriate to them. Potential social adverse impacts, if any, will be mitigated through continued consultation with affected ethnic minority peoples during project implementation.</p> <p>A summary of the findings of the social assessment, and how the project complies with Bank’s OP 4.10, particularly with EMDP</p>
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		requirements, is presented in Annex 3 of the PAD. The detailed SA report as well as the summary was disclosed locally in Vietnamese, and at Bank's Infoshop in English, and at Vietnam Development Information Center in Hanoi prior to project appraisal in September 2013.
Involuntary Resettlement OP/BP 4.12	No	The project does not involve land acquisition and resettlement.
Safety of Dams OP/BP 4.37	No	The project will not finance construction or rehabilitation of any dams.
Projects on International Waterways OP/BP 7.50	No	The project does not involve international waterways.
Projects in Disputed Areas OP/BP 7.60	No	The project is not located in any dispute area.

## II. Key Safeguard Policy Issues and Their Management

### A. Summary of Key Safeguard Issues

<p><b>1. Describe any safeguard issues and impacts associated with the proposed project. Identify and describe any potential large scale, significant and/or irreversible impacts:</b></p> <p>Since ethnic minority peoples are present in the project area, the World Bank's OP 4.10 (Indigenous Peoples) is triggered. A Social Assessment was conducted as per OP 4.10 to (a) 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 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, Lâm Đồng and Ninh Binh) and other local consultations have taken place since early 2012. The SA confirms that the overall project impact is positive and that there is broad ethnic minority community support from ethnic minority peoples in the project areas for the project activities.</p> <p>There are no potential large scale, significant and/or irreversible impacts of the project interventions identified. The SASSP will not finance any civil works and is, therefore, not expected to have any significant, irreversible or minor environmental impacts. This is a Category C Project. The results of the Social Assessment also indicate no potential large scale, significant and/or irreversible impacts of the project interventions on ethnic minority groups.</p>
<p><b>2. Describe any potential indirect and/or long term impacts due to anticipated future activities in the project area:</b></p> <p>In terms of social impact, there is no potential indirect and/or long term adverse impact due to activities to be done under the project. In the long term, the project will lead to positive impacts, through improved social assistance delivery for the poor.</p>
<p><b>3. Describe any project alternatives (if relevant) considered to help avoid or minimize adverse impacts.</b></p> <p>There are no adverse impacts anticipated. Project alternatives are not applicable.</p>
<p><b>4. Describe measures taken by the borrower to address safeguard policy issues. Provide an assessment of borrower capacity to plan and implement the measures described.</b></p>

Various local consultations have taken place since early 2012, with the participation of the Kinh and different ethnic minority groups from different potential project provinces. Using in-depth interviews, focus groups discussions, and field observation, the consultation (which took the form of a Social Assessment) aims to understand the potential impacts of the SASSP (both positive and adverse) on the project beneficiaries. The consultations with ethnic minority peoples, in particular, were conducted on the principle of free, prior and informed manner - to solicit their feedback on the basis of the project goal and its activities. The feedback was collected at both household and community levels. The Social Assessment and consultation were conducted by the Ministry of Labor, Invalids and Social Affairs (MOLISA) with guidance and supervision from the Bank.

As the majority of beneficiaries in the four project provinces are from ethnic minority groups, a stand-alone Ethnic Minority Development Plan (EMDP) was not prepared. However, key elements typically required for an EMDP were integrated into the overall project design as per OP 4.10. Gender consultations were also conducted as part of the SA and findings integrated in project design. All possible constraints (emerging from the consultations and SA), and possible measures to address identified constraints have been incorporated in the Project Implementation Manual (PIM), including the implementation plan for communication and outreach, household support and grievance redress mechanism, to ensure effective implementation and inclusion of ethnic minority people. For example, the use of local village social collaborators allows the support and counseling to ethnic minority beneficiary households to be provided in their language, and in a manner that is culturally appropriate to them. The PIM specifies that the communication strategy and materials will be customized to address the specific needs of different ethnic minority groups in terms of language and cultural relevance. and training programs will be culturally appropriate and gender informed. Similarly, the training of local officials, social collaborators and service providers will be culturally appropriate and gender informed. Grievance redress mechanisms will be adapted to the needs of the specific ethnic minority groups in terms of language and cultural norms on complaints. These monitoring and evaluation arrangements for the project will include indicators that allow analysis disaggregated by gender and ethnicity. The PIM provides further details on how these actions will be incorporated during implementation.

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 (CPMU) and Provincial Project Management Units (PPMUs) to ensure that continued consultation with ethnic minorities peoples, and gender issues are addressed when activities are unfold during project implementation. Training will be repeated, particularly for PPMUs on the basis of training evaluation and application outcome.

**5. Identify the key stakeholders and describe the mechanisms for consultation and disclosure on safeguard policies, with an emphasis on potentially affected people.**

The key stakeholders include the following groups: (a) CPMU and PPMUs (responsible for overall management, supervision and implementation support), (b) national and local social officers (responsible for implementing the existing social assistance programs and the Opportunity Program under this project), (c) actual and potential social assistance beneficiaries, and (d) target communities and village leaders in the project provinces.

The consultations during project implementation will follow the same approach as that taken during preparation. The consultations will take into account the social and cultural traits of target ethnic minority groups to ensure their feedback is based on full understanding of the project goals, activities, and their potential impacts. The consultation findings will also be shared with the ethnic

minority peoples and stakeholders consulted to get their feedback. The same 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 soliciting feedback from ethnic minority peoples, the principle of free, prior and informed consultation will be maintained. The SA report will continue to be updated when needed to reflect feedback from the field as the project is implemented.

The detailed SA report as well as a summary (prepared as per OP 4.10) outlining the key findings of the SA and how the project complies with Bank's OP 4.10 were disclosed locally in Vietnamese and at Vietnam Development Information Center in Hanoi. The English versions were disclosed at Bank's Infoshop on 17 September 2013, prior to commencing project appraisal.

### ***B. Disclosure Requirements***

<b>Indigenous Peoples Development Plan/Framework</b>	
Date of receipt by the Bank	16-Sep-2013
Date of submission to InfoShop	17-Sep-2013
<b>"In country" Disclosure</b>	
Vietnam	17-Sep-2013
<i>Comments:</i> The detailed SA report and a brief summary (prepared as per OP 4.10) outlining the key findings of the SA and how the project complies with Bank's OP 4.10 was disclosed in the local language on the MOLISA and the four provincial websites on September 18, 2013 and in English at the World Bank's Vietnam Development Information Center in Hanoi and on Bank's Infoshop on September 17, 2013.	
<b>If the project triggers the Pest Management and/or Physical Cultural Resources policies, the respective issues are to be addressed and disclosed as part of the Environmental Assessment/Audit/or EMP.</b>	
<b>If in-country disclosure of any of the above documents is not expected, please explain why:</b>	

### ***C. Compliance Monitoring Indicators at the Corporate Level***

<b>OP/BP 4.10 - Indigenous Peoples</b>	
Has a separate Indigenous Peoples Plan/Planning Framework (as appropriate) been prepared in consultation with affected Indigenous Peoples?	Yes [ <input type="checkbox"/> ] No [ <input checked="" type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>The World Bank Policy on Disclosure of Information</b>	
Have relevant safeguard policies documents been sent to the World Bank's Infoshop?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have relevant documents been disclosed in-country in a public place in a form and language that are understandable and accessible to project-affected groups and local NGOs?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
<b>All Safeguard Policies</b>	
Have satisfactory calendar, budget and clear institutional responsibilities been prepared for the implementation of measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

Have costs related to safeguard policy measures been included in the project cost?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Does the Monitoring and Evaluation system of the project include the monitoring of safeguard impacts and measures related to safeguard policies?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]
Have satisfactory implementation arrangements been agreed with the borrower and the same been adequately reflected in the project legal documents?	Yes [ <input checked="" type="checkbox"/> ] No [ <input type="checkbox"/> ] NA [ <input type="checkbox"/> ]

### III. APPROVALS

Task Team Leader:	Name: Puja Vasudeva Dutta	
<b><i>Approved By</i></b>		
Sector Manager:	Name: Jehan Arulpragasam (SM)	Date: 06-Dec-2013