



RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
SOCIAL ASSISTANCE SYSTEM STRENGTHENING PROJECT
APPROVED ON JANUARY 22, 2014
TO
SOCIALIST REPUBLIC OF VIETNAM

SOCIAL PROTECTION & LABOR

EAST ASIA AND PACIFIC

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ABBREVIATIONS AND ACRONYMS

MOF	Ministry of Finance
MOLISA	Ministry of Labor, Invalids and Social Affairs
MTR	Mid-Term Review
POSASOFT	SASSP management information system
SASSP	Social Assistance System Strengthening Project
VNPOST	Vietnam Post



BASIC DATA

Product Information

Project ID P123960	Financing Instrument Investment Project Financing
Original EA Category Not Required (C)	Current EA Category Not Required (C)
Approval Date 22-Jan-2014	Current Closing Date 31-Dec-2019

Organizations

Borrower Socialist Republic of Vietnam	Responsible Agency Ministry of Labor, Invalids and Social Affairs
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Project Development Objective (PDO)

Original PDO

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.

Summary Status of Financing

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-53540	22-Jan-2014	24-Apr-2014	22-Jul-2014	31-Dec-2019	60.00	23.76	31.10

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

1. **The Social Assistance System Strengthening Project (SASSP) aimed to put in place critical elements of a strengthened management and service delivery system for social assistance nationwide.** Component 1 supports information consolidation nationwide, while Component 2 tests this strengthened system and pilots process and policy consolidation in four project provinces (Hà Giang, Quảng Nam, Trà Vinh, and Lâm Đồng) for three years. Component 3 provides support for project management and capacity building.

2. **The project is implementing well; it has disbursed 40% of allocated funds and has either partially achieved or is on track to achieve its objectives.** The Ministry of Labor, Invalids and Social Affairs (MOLISA) and the World Bank completed a Mid-Term Review (MTR) in November 2016 and identified the following achievements and challenges.

3. **The project has made commendable progress with respect to information consolidation.** A national database of poor/near-poor households and social protection beneficiaries (under Decree 136) and a management information system (called POSASOFT) have been developed and piloted in the four project provinces. Non-project provinces are also beginning to access POSASOFT and update the beneficiary database. The database and POSASOFT will be ready for nationwide roll-out by December 2017 and MOLISA is seeking to expand it to cover additional programs. In May 2017, a new Prime Minister's Decision 708/QĐ-TTg was issued, providing a legal framework for expanding the SASSP system as a building block for on an integrated social protection information system.

4. **In July 2015, a consolidated social assistance program, named the “Cơ hội thoát nghèo truyền kiếp” or “Opportunity to move out of inter-generational poverty” program (“Opportunity Program” in short) was launched in the four project provinces.** The Opportunity Program was intended to consolidate the following three existing cash transfer programs: (i) cash transfers for electricity for poor households (Decision 268/2011/QĐ-TTg amended by Decision 28/2014/QĐ-TTg); (ii) cash transfers to poor students in school (under Decree 49/2010/ND-CP, subsequently amended by Decree 74/2013/ND-CP and Decree 86/2015/ND-CP); and (iii) cash transfers for ethnic minority and poor Kinh secondary education students in difficult areas (Decision No. 12/2013/QĐ-TTg, subsequently amended by Decision 116/2017/ND-CP). The Opportunity Program also covered three categories of additional beneficiaries, namely poor households with pregnant women, children aged 0-3 years, and children aged 3 to under 16 years not going to school. It was originally scheduled to be introduced in 2016 and run for three years. However, it was launched in 2015 in response to demand from provincial governments for policy consolidation.

5. **The project also piloted process consolidation by using common delivery systems for the Opportunity Program and cash transfers to elderly, persons with disability and other vulnerable groups covered by Decree 136/2013/ND-CP.** These common systems included the following: (i) the beneficiary database and integrated management information system developed under Component 1; (ii) the use of an independent payment service provider (Vietnam Post or VNPOST) to make benefit payments; and (iii) the use of social collaborators to support program beneficiaries.

6. **There has been significant progress towards process consolidation in the four project provinces.** The four provinces are using the common beneficiary database and payment systems for four cash transfer programs. Benefit payments for the Opportunity Program and Decree 136 beneficiaries are being made by VNPOST, using a common beneficiary database and POSASOFT. A strong monitoring and evaluation (M&E) system has been put in place to monitor project implementation. By May 2017, a total of 392,865 beneficiaries were registered and receiving payments. Regular spot checks indicate high level of beneficiary satisfaction with the payment process, despite some implementation challenges in remote areas.

7. **However, policy consolidation in the four provinces has been more challenging.** The consolidation of benefits from the four existing cash transfers into a single household package under the Opportunity Program has not happening as designed. This is largely due to frequent policy changes by different ministries to all three policies being consolidated into the Opportunity Program. For instance, electricity subsidy targeted to poor households was initially provided under Decision 28. Two subsequent revisions were undertaken between 2014 and 2016. Decision 60 modified eligibility criteria and benefit levels by electricity usage, complicating the process of registering beneficiaries. Decision 28 expanded coverage to households with social assistance beneficiaries under Decree 136. Education subsidies under Decree 49/74 was further amended by Decree 86 in 2015 to increase benefit levels. Decision 12



governing meal and accommodation allowance for upper secondary in specially disadvantaged areas was also replaced with Decree 116 in July 2016.

8. **Policy consolidation is further complicated by the fact that government documents specify different budgeting mechanisms and payment frequency.** For instance, payment of electricity subsidy must be made every quarter, while payment of education cash transfers must be made twice a school year. As Ministry of Finance (MOF) did not agree to change the budgeting mechanism specifically for the project, the consolidation of these policies into a monthly benefit payment under the Opportunity Program has not happened as designed. As a result, the project has ensured benefit payments are made together, when due, but it is not an integrated monthly package and the benefit paid varies every month.

9. **While there were no major challenges in making monthly payments under Decree 136, payments for the benefits under the Opportunity Program household package were intermittent due to these policy changes.** This is because when a new document replaces the existing document, delays in issuing guidance and allocating budget to provinces result in suspension of registration and payment to beneficiaries during the transition period. Between July and October 2016, no payments were made to existing eligible beneficiaries under Decree 86 and Decree 116 in the four project provinces because of either delay in government funding (Ha Giang, Tra Vinh), lack of specific guidance from local governments (Quang Nam) or late preparation of list of beneficiaries (Lam Dong).

10. **In addition, during the course of implementation, it became clear that it was important to track the registration of additional beneficiaries under the Opportunity Program [1].** Initial coverage was low due to the following reasons: (i) inadequate endorsement from the provinces with respect to the expansion of unconditional cash transfers to school-age children not in school, both because of a preference for hard conditions as well as the difficult in reporting conclusively that a child is not enrolled in any school; (ii) implementation challenges related to lack of documentation (e.g. birth certificates for children born to under-age parents as is relatively common in Ha Giang); and (iii) in some cases, lack of interest among beneficiaries due to relatively low benefit levels. However, coverage improved significantly by the second year of implementation, with the number of additional beneficiaries registered increased from 6,371 in October 2015 to 24,521 in October 2016. By May 2017, this number fell to 20,883, reflecting the decline in the number of poor households following the annual update of the poor list and other external constraints. Despite the increase in coverage, this represents about 35% of the eligible population and MOLISA acknowledges the importance of monitoring this figure and increasing coverage. This has become particularly salient since the the Prime Minister's Decision 488/QD-TTg in May 2017 that provides a legal framework to introduce a national policy for two of the three categories of additional beneficiaries piloted by the SASSP, namely poor households with pregnant women and young children. The design of this national policy would benefit from incorporating lessons from the experience of the SASSP pilot with respect to registering these groups.

11. Notes: [1] Component 2 finances benefit payments to additional beneficiaries while benefits for the four cash transfer programs are financed from the state budget.

II. DESCRIPTION OF PROPOSED CHANGES

1. **In light of the issues identified above, the Results Framework has been revised to provide more accurate intermediate indicators under Component 2.** The original indicators were designed to capture payment frequency for the integrated household package under the Opportunity Program. However, this policy consolidation has not progressed entirely as planned as noted above and it was agreed with MOLISA to revise the results framework. The precise indicators and their current and target values were agreed with MOLISA during an implementation support mission in June 2017. These agreements are documented in the Aide Memoire of the mission in lieu of a separate government request.

2. The following revisions to the Results Framework are proposed under this restructuring:

- (a) **A new indicator to track the number of individual additional beneficiaries registered under the Opportunity Program.** Additional beneficiaries includes pregnant women, children aged 0-3 years, and/or children aged 3 to under 16 years not going to school, living in poor households. Poor households refer to income-poor households, as defined by MOLISA. The



indicator refers to individuals (not households).

- (b) **Revision of an existing indicator.** Indicator changed from “Share of benefit payments for the Opportunity Program made on time in each pilot province” to “Share of benefit payments on time”. Programs covered include: Opportunity Program (additional beneficiaries); social assistance cash transfers (Decree 136); education cash transfers (Decree 86/116); and electricity cash transfers (Decision 28). Benefit payments are supposed to be made as per schedule in the respective policy document (monthly for social assistance cash transfers, quarterly for electricity cash transfers, by semester for education cash transfers). The numerator is defined as “total volume of benefit payments actually made per quarter” and the denominator as “total volume of benefits due to be paid per quarter (calculated using number of beneficiaries and their benefit levels)”.
- (c) **Revision of an existing indicator.** Indicator changed from “Share of beneficiaries reporting satisfaction with the Opportunity Program in the project provinces” to “Share of beneficiaries reporting satisfaction with the Opportunity Program in the project provinces payment process”. Beneficiaries refer to households receiving benefits from any of the following programs: Opportunity Program (additional beneficiaries); social assistance cash transfers (Decree 136); education cash transfers (Decree 86/116); and electricity cash transfers (Decision 28). The satisfaction index includes four indicators per each program: awareness of eligibility criteria, awareness of exact amount of benefit, satisfaction with payment frequency and knowledge of filing a feedback for each of the four programs.
- (d) **Change in end-target dates for all component 2 indicators.** Since the Opportunity Program was launched earlier than scheduled in 2015, it will close in 2018 instead of 2019. As a result, the end-date for all three indicators is changed to 2018, instead of 2019.

3. The Project Implementation Manual (PIM) will be update to reflect the revised Results Framework as noted above.

I. SUMMARY OF CHANGES

	Changed	Not Changed
Change in Results Framework	✓	
Change in Implementing Agency		✓
Change in DDO Status		✓
Change in Project's Development Objectives		✓
Change in Components and Cost		✓
Change in Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Change in Disbursements Arrangements		✓
Change in Disbursement Estimates		✓
Change in Overall Risk Rating		✓
Change in Safeguard Policies Triggered		✓



Change of EA category		✓
Change in Legal Covenants		✓
Change in Institutional Arrangements		✓
Change in Financial Management		✓
Change in Procurement		✓
Change in Implementation Schedule		✓
Other Change(s)		✓
Change in Economic and Financial Analysis		✓
Change in Technical Analysis		✓
Change in Social Analysis		✓
Change in Environmental Analysis		✓

IV. DETAILED CHANGE(S)

RESULTS FRAMEWORK

Project Development Objective Indicators

Process consolidation as measured by the number of provinces using the national beneficiary database and MIS Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	4.00	40.00	No Change
Date	01-Jul-2014	26-Jun-2017	30-Jun-2019	
Information consolidation as measured by the number of provinces with at least partially digitized household information in the national beneficiary database Unit of Measure: Number Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	63.00	50.00	No Change
Date	01-Jul-2014	26-Jun-2017	30-Jun-2019	

Intermediate Indicators



New program MIS established and in operation Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	Manual/ semi-automated systems	MIS piloted in 4 provinces	MIS ready for roll-out in additional provinces	No Change
Date	01-Jul-2014	26-Jun-2017	30-Jun-2018	

Creation and operation of national beneficiary database Unit of Measure: Text Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	No digitized database	Draft guidelines (data standards and information exchange protocol) developed but not yet approved	National beneficiary database created and ready to be linked to MIS of other SA programs	No Change
Date	01-Jul-2014	26-Jun-2017	30-Jun-2018	

Share of benefit payments made on time Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	0.00	75.00	80.00	Revised
Date	01-Jul-2015	30-Jun-2017	29-Jun-2018	

Share of beneficiaries reporting satisfaction with the payment process Unit of Measure: Percentage Indicator Type: Custom				
	Baseline	Actual (Current)	End Target	Action
Value	65.00	75.00	85.00	Revised
Date	30-Jun-2015	30-Jun-2017	29-Jun-2018	

Number of registered individual additional beneficiaries Unit of Measure: Number Indicator Type: Custom				
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The World Bank

Social Assistance System Strengthening Project (P123960)

	Baseline	Actual (Current)	End Target	Action
Value	0.00	20000.00	22000.00	New
Date	30-Jun-2015	30-Jun-2017	29-Jun-2018	