



Addressing negative socioeconomic impacts of the COVID-19 pandemic through social protection in Viet Nam

Supporting incomes and livelihoods with cash assistance in Dong Nai province

Context

In late April 2021, Viet Nam faced its fourth wave of COVID-19, with over 895 000 new cases reported (FAO, 2022). COVID-19 and related restrictions hindered livelihood options and vulnerable households faced financial stress to cover basic needs. Some of them lost their income and were unable to return to home villages for a certain period of time. In addition, many people living in vulnerable households did not qualify for government social security assistance.

Dong Nai is among the country's top three provinces and city areas to be hit hardest by the COVID-19 pandemic and is home to over 3.2 million people, including more than 1.2 million workers, of which about 720 000 people are migrant workers from other provinces (FAO, 2022).

High numbers of resident workers in the province lost their income and livelihoods, having to rely on the government's social assistance programme (for the few who qualified) and support from relatives. However, according to a government report, by October 2021 only 31 227 contracted workers had received unemployment insurance support, and more than 448 000 people (both contracted and non-contracted workers) had received one-time support with an amount of VND 1.5 million per person from the local government package (Dong Nai PPC, 2021; cited in FAO, 2022). Many companies were struggling to contribute towards social insurance for their workers while temporarily interrupting their contracts (unpaid duration). Hence, many people faced difficulties in securing food despite the significant efforts of the local government. This had particularly severe consequences on non-contracted workers, the temporarily unemployed and those with chronic diseases, because most of them only received one-time, in-kind support (such as rice and other food products).

Key facts



Social protection intervention

- Unconditional cash transfers to households that lost their livelihoods as a result of the COVID-19 pandemic.
- The intervention leveraged the national database on social assistance and poverty reduction to select beneficiaries.
- Cash was delivered through the national postal service.



Geographical coverage

Dong Nai province, Viet Nam



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Target group

649 vulnerable households affected by the COVID-19 pandemic (1 679 male and 1 698 female, 129 under 5 years of age, 380 over 65 years of age and 448 with disabilities or chronic illness)



Gender

The intervention prioritized women-headed households and lactating mothers

FAO sought to sustain livelihoods by helping households cover basic needs during these times of hardship.

The pandemic put a heavy burden on the provincial welfare and social protection system as hundreds lost their lives, more than 400 000 contracted workers lost their jobs, and many non-contracted workers lost their source of income because of the lockdown and other prevention and control measures (Dong Nai PPC, 2021; FAO, 2022). Additionally, due to travel restrictions, many were unable to return to their home villages and join their support networks. Thus, the intervention sought to sustain livelihoods by helping households cover basic needs during these times of hardship.

Between November and December 2021, the Food and Agriculture Organization of the United Nations (FAO) implemented an intervention in the context of the programme **Scaling up Forecast-based Financing/ Early Warning Early Action (FbF/EWEA) and Shock Responsive Social Protection for disaster resilience in the Association of Southeast Asian Nations (ASEAN)**. This brief documents the intervention which aimed to help households affected by the COVID-19 pandemic and related restrictions to cover their basic needs, including households already benefiting from existing social assistance and non-beneficiary households. More specifically, it sought to improve food security and prevent vulnerable households from resorting to negative coping mechanisms.





Methodological approach

To identify the beneficiaries of this intervention, FAO leveraged the national database on social assistance and poverty reduction.

Coverage

The targeted province was selected based on socioeconomic and epidemiological vulnerability related to the spread of the COVID-19 pandemic. To identify the beneficiaries of this intervention, FAO leveraged the national database on social assistance and poverty reduction. Targeting criteria were expanded to allow for the inclusion of households that faced poverty and difficult circumstances as a result of the pandemic but were not in the database and that did not receive other forms of temporary support from the national or provincial governments. This additional criterion was discussed and agreed with the Ministry of Labour, Invalids and Social Affairs (MOLISA) and the Department of Labor, Invalids and Social Affairs (DOLISA), and was intended to compensate for COVID-19 illness or losses of income. In fact, extraordinary support from the national or provincial government could be accessed only by employed individuals.

The targeting criteria set for the intervention included the following:

1. Compulsory criterion

- Non-contracted workers who lost their job or income and did not receive support from the national or provincial governments.

2. Priority criteria

These additional criteria were aligned to the criteria set by the national and provincial administration for extraordinary support policies in response to the COVID-19 pandemic, and were used to prioritize the most vulnerable households, provided that they met the compulsory criterion.

- female-headed households;
- households with disabled or chronically ill members;
- households with lactating mothers;
- households with children under five years of age; and
- households with people over the age of 65.

The main compulsory criterion set by FAO helped avoid any overlap with the Government of Viet Nam's various extraordinary support schemes established in response to the COVID-19 pandemic (Resolution 42/NQ-CP Assistance for people affected by COVID-19 pandemic). Additionally, the Dong Nai DOLISA

and selected cities and districts (Bien Hoa, Nhon Trach and Trang Bom) instructed targeted communes or wards to select households that did not benefit from any other scheme in their areas. The selection procedures were managed between the ward level and district level administrations. Then, at provincial level, DOLISA compiled the final list of beneficiaries and shared it with FAO. The suitability of selection was also confirmed through interviews with local authorities at various levels and with beneficiaries themselves.

The national database on social assistance and poverty reduction covers information on households and individuals benefiting from social assistance programmes, poor and near-poor households and individuals.

The beneficiary selection and registration process used made use of the national database on social assistance and poverty reduction managed by MOLISA, although the information contained was insufficient (missing ID numbers, mobile phone numbers, etc.) partly because the programme was targeting households that did not qualify for government support. This posed a considerable challenge. To overcome these issues, DOLISA carried out additional data collection through grassroots organizations and local administrations to include these households and verify incomplete entries. This process was neither different nor quicker than the standard practice that FAO and other humanitarian and development partners usually carry out to identify and register beneficiaries in emergency circumstances.

The national database on social assistance and poverty reduction is based on a web platform housed at MOLISA. The database covers information on households and individuals benefiting from social assistance programmes, poor and near-poor households and individuals, and others, but does not include non-resident households, non-contracted workers and migrant workers. It is managed jointly by MOLISA, the provincial DOLISAs and the local





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The project delivered the same cash amount of the extraordinary provincial programme established by the Dong Nai Provincial People's Committee in response to the COVID-19 pandemic.

administrations, while at provincial level, DOLISA is responsible for reviewing and updating the information contained in the database (FAO, 2022).

In terms of its participatory approach in the context of the 'leave no one behind' commitment of the 2030 Agenda for Sustainable Development, and through its beneficiary selection criteria, the intervention prioritized female-headed households, people living with disabilities or chronically ill persons, lactating mothers, households with children under 5 years of age and people over 65 years of age. The intervention also saw a limited but fundamental involvement of youth organizations in the data collection process to verify and integrate the information recorded in the government database.

Comprehensiveness

The intervention leveraged some parts of the existing social protection system, an approach also referred to in the literature as 'piggybacking' (OPM, 2015). In fact, FAO leveraged the national database on social assistance and poverty reduction for targeting, in partnership with both MOLISA and Dong Nai's DOLISA. Further, the transfer amount of the intervention matched the value of support set by the Dong Nai Provincial People's Committee in response to the negative impacts of the COVID-19 pandemic. Finally, the delivery of cash was conducted through the Viet Nam Post Corporation (VNPost), the designated postal operator to provide public postal and cash distribution services for the socioeconomic development, poverty reduction and natural disaster reduction targets.

VNPost is a state-owned corporation with ongoing collaboration with MOLISA and the Dong Nai DOLISA. The VNPost is providing monthly cash payments for social assistance beneficiaries under the management of the Dong Nai DOLISA. The provincial post office also has the ability and capacity to deliver in-kind transfers based on orders and agreements. In addition, VNPost has been actively participating in community activities, such as providing free-of-charge delivery services for charity goods to people in the central areas of Viet Nam, sponsoring items sent to charity centres and joining other charity activities (Viet Nam Post Corporation, 2015). The Dong Nai Post Office currently has 1 135 workers, with 212 service points covering all 170 communes and wards in the province (FAO, 2022).

Adequacy

The intervention entailed the unconditional transfer of cash to beneficiaries. Although the minimum expenditure to cover food and basic non-food items amounts to VND 1.8 million (around USD 75) per month per household. The project delivered the same rate (VND 1.5 million) of the extraordinary provincial programme established by the Dong Nai Provincial People's Committee in response to the negative impacts of the COVID-19 pandemic (FAO and DG ECHO, 2019). As shared by the Dong Nai DOLISA, this amount was identified with reference to national and city or provincial policies supporting people impacted by the COVID-19 pandemic.

This amount was established following three sets of considerations:

- minimum living standards in rural areas, which was VND 1 586 000 per person per month in 2021;
- available budget at provincial level; and
- the central government's resolution.

The delivery modality consisted of distributing cash assistance through the Dong Nai provincial post office and its branches. VNPost delivered assistance on behalf of FAO through a direct agreement. This option allowed FAO to guarantee transparency in the cash distribution and speedy delivery in the given situation. In fact, the distribution was implemented during the peak of the fourth wave of COVID-19 in the country, when Dong Nai and other nearby provinces and cities were faced with the highest infectious rates and toughest social distancing restrictions. Under these conditions, only some essential service providers were allowed to travel for work and VNPost was one of them. In addition, they had a wide network of branches that covered the whole province, with the capacity to successfully complete the distribution.

Delivery was implemented by several post offices so that around 75–85 percent of the beneficiaries received assistance within the first two days of the cash delivery campaign. The remaining 15–25 percent was harder to reach for a number of reasons, such as beneficiaries failing to answer telephone calls from local post offices, incorrect telephone numbers and absence of the beneficiaries. This was explained by the fact that selected beneficiaries included both permanent residents and non-permanent residents. Many of the non-permanent residents returned to their hometowns as soon as domestic travel restrictions were lifted and had not come back to Dong Nai yet at the time of the delivery. Still, at the time of the assessment mission, it was reported that 649 out of 650 beneficiaries had received the cash assistance from FAO (FAO, 2022).





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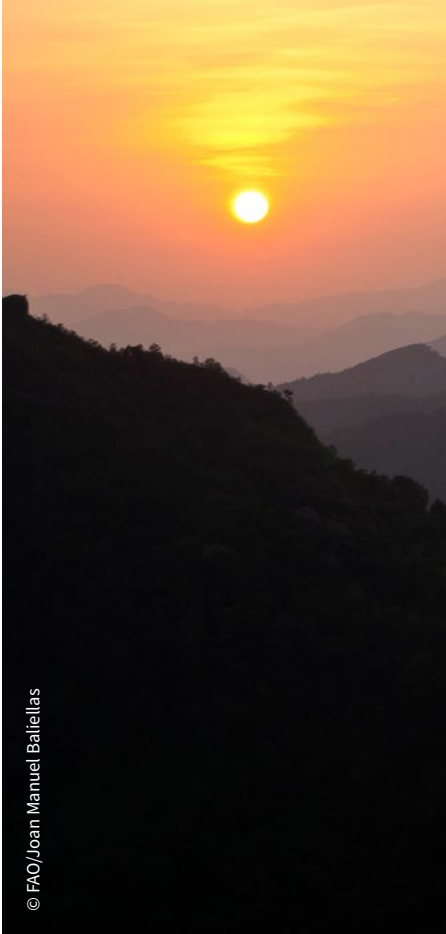
Results and impacts

The reduced Coping Strategy Index (rCSI) baseline indicated that 80 percent of households were practicing coping strategies, with 53 percent in moderate coping mode and 27 percent in severe coping mode.

A total of 649 vulnerable households were assisted to help cover their food and non-food basic needs. All beneficiaries interviewed during the assessment mission in Dong Nai confirmed that the support from FAO was timely and suitable during the difficult times of the COVID-19 pandemic in the province (FAO, 2022).

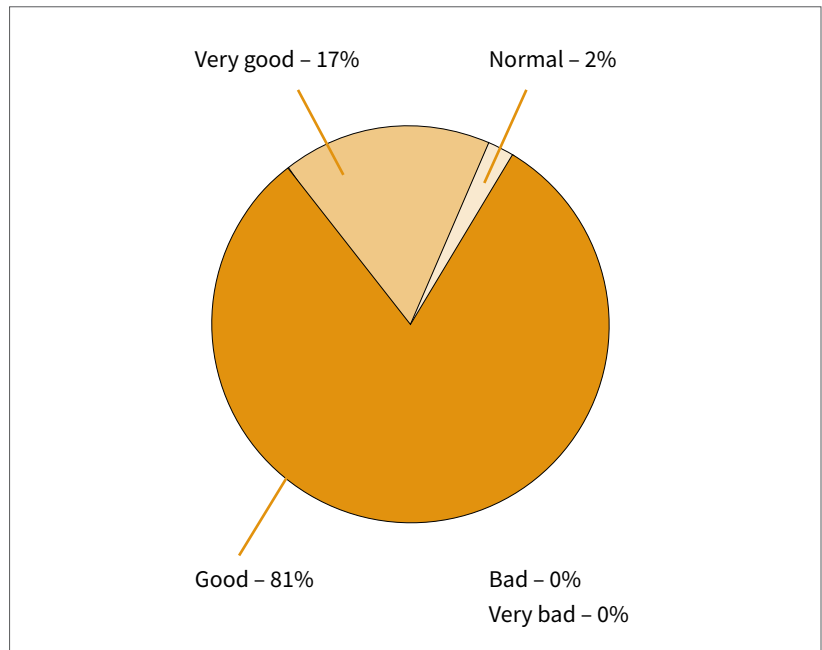
Before the release of the payments, the project conducted interviews with 55 households through telephone calls to collect the reduced Coping Strategy Index (rCSI) baseline, which measures the frequency of food consumption behaviour and the severity of coping strategies. This indicated that 80 percent of the households were practicing coping strategies, with 53 percent in moderate coping mode and 27 percent in severe coping mode. The baseline survey was conducted at a time when the social-distancing measures had just been lifted in the province, and people had not been able to get back to their normal lives yet. The most common coping strategies adopted by households were taking loans to purchase food and reducing adults' meal portions to provide more food to children.

The results of this intervention were assessed through random interviews to 46 benefited households, among which 16 were visited in person and 30 were reached via telephone calls, mostly in Bien Hoa city and Trang Bom district. This assessment was carried out a few months after the lifting of social distancing restrictions. Most of the respondents (83 percent) reported that the amount of cash was partially sufficient to cover households' food needs for one month. They also shared that the cash was mainly used to purchase food



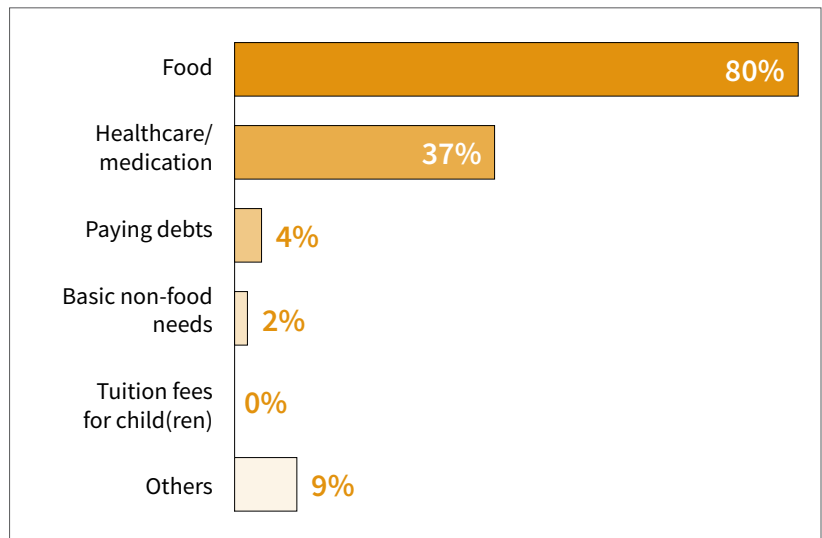
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Figure 1. Results of the respondents' satisfaction with the cash delivery service by the VNPost



Source: FAO, 2022

Figure 2. The utilization of the cash grants by respondents



Source: FAO, 2022

(over 80 percent), and to cover healthcare and medication costs (37 percent), as illustrated in Figure 2. This helps explain why a high number of respondents reported that the cash amount met their needs for one month only partially. In fact, in the pandemic context, it is understandable that healthcare and medication expenses are prioritized and represent a heavy burden for households.

Very few (13 percent) respondents knew about the project hotline and none of them had used it. The remaining 87 percent did not know about it at all. However, most of them affirmed that they had not paid attention to the project information sheet provided with the cash at the post office.

Indeed, almost all of the respondents expressed their satisfaction with the services of the post office, which were rated as very good (17 percent) and good (81 percent, Figure 1.). The post office reached 63 percent of beneficiaries to inform them about the cash payment through telephone calls. The remaining 37 percent received information directly through the local authority.

The endline survey indicates a significant improvement in the households' livelihood situation and that all households remained or transitioned to low coping mode. This result means that beneficiaries could avoid, or stop resorting to, severe coping strategies, such as substantially restricting the size or number of meals per day, or even not eating for entire days. In fact, research shows that during the Covid-19 pandemic cash assistance helped reduce food insecurity in many contexts (Dasgupta and Robinson, 2022). The endline survey, which was carried out a few months after the lifting of social distancing, seems to suggest that cash transfers helped households stabilize their food consumption and avoid the need to take up further negative coping strategies.



Sustainability

Leveraging the national social protection system for this intervention was precisely aimed at increasing the sustainability of this intervention.

Financial sustainability

Although this was a one-time intervention by FAO in support of the national government, the financial sustainability of any future intervention with a similar approach is ensured by the Decree of the Socialist Republic of Viet Nam (No: 67/2007/ND-CP) on social support policies for social protection beneficiaries in case of emergencies (including natural disasters). The law establishes that funds for this kind of emergency cash-based social protection should come from local government resources and, in case these are insufficient, from the state reserve.

Operational sustainability

The operational sustainability for any similar intervention in the future is ensured by the Provincial Committee for Natural Disaster Prevention and Control (PNCDDPC), present in each province. The provincial committees have standing offices housed in the Department of Agriculture and Rural Development (DARD) which include members from all departments and civil organizations. DOLISAs are members of the PNCDDPCs. All the members are normally called to meet and are consulted for disaster-related response activities by the PNCDDPC. However, further formalization of structures and platforms could be pursued to facilitate improved coordination between the social protection and disaster risk management sectors in Viet Nam during times of major shocks, especially regarding the design and delivery of cash assistance.

Leveraging the national social protection system

Finally, leveraging the national social protection system for this intervention was precisely aimed at increasing the sustainability of this approach and its added value was twofold:

- It allowed FAO to work in partnership with MOLISA and the Dong Nai DOLISA, particularly in accessing and strengthening the government's database on social assistance and poverty reduction, via data collection activities in collaboration with volunteers and civil society mobilized by the government. This effort was linked to the broader process initiated by the government during the COVID-19 pandemic, which entailed collecting information for the national population database and merging details of every citizen under one personal ID number. This work is being carried out by the Ministry of Public Security with hopes that, once the database is completed, the social protection system will have access to this information.
- It granted access to an effective and tested delivery modality and financial service provider, namely VNPost, which allowed for the timely distribution of assistance even during such challenging times.

Replicability and upscaling

It is noted that both the circumstances and impacts related to the COVID-19 pandemic, and the targeted area – i.e. Dong Nai province – were somewhat unique cases. Dong Nai attracts many non-resident households, non-contracted and migrant labourers because of its high industrialization and numerous working opportunities. This resulted in notable challenges regarding unavailable or incomplete data on these households. However, these problems may not be as prevalent in provinces with fewer numbers of migrant workers that originate from other areas of Viet Nam and therefore are registered in social protection databases. A feasibility study on the shock-responsiveness of the social protection system in Viet Nam, that analyses opportunities, challenges and enables system features to support future efforts to flow emergency support through the social protection system in Viet Nam, may be useful to identify possible improvements to current policies, programmes and operational mechanisms.

For FAO, it is important to further strengthen the partnership with VNPost at national level and negotiate a long-term agreement framework that could facilitate access to VNPost services in all provinces of Viet Nam. This will also help save significant time for contract arrangements at provincial level when disasters occur. New delivery modalities and financial service providers should also be explored to assess the suitability and feasibility of the available services. Targeting and databases presented challenges as they were incomplete. For instance, ID and phone numbers of non-beneficiaries were missing from the government's social protection database. Hence, it may be prudent for DOLISA, in partnership with humanitarian and development partners like FAO, to explore how available social protection databases can be kept up-to-date, including with data on all near-poor and at-risk households vulnerable to shocks within their area of responsibility. Ensuring that these databases include information on household member bank accounts and mobile numbers, with due data protection measures in place, would allow local governments and other actors to quickly and reliably identify and provide assistance to these households in emergency situations.

The activity was implemented during the peak of the COVID-19 pandemic in the province, while the infectious rate was at its highest and social distancing restrictions were still in force, thus all arrangements had to be made online and over the telephone. As a result, there were some mismatches in telephone numbers and/or addresses of beneficiaries in the final list provided to FAO. Additionally, people over 65 years of age or disabled people in rural areas did not have mobile phones, so they had to use those of their neighbours, leading to difficulties. To ensure that all information was correct, FAO carefully cross-checked and worked with the Dong Nai DOLISA to finalize the list.

Moreover, the intervention faced the challenge of delivering cash assistance at a time when imposed social-distancing policies led businesses to suspend their activities and leave workers home. Under those conditions, only some essential sectors or service providers were allowed to travel for work and VNPost, which carried out the distribution, was one of these.

Key learnings

Leveraging national social protection system mechanisms with databases to identify beneficiaries can support the strengthening of the system by addressing existing gaps or inefficiencies.

Key learning aspects revolve around targeting, particularly in the use of national databases and the involvement of local authorities for verification and messaging purposes, as well as around the delivery modalities in challenging times, when standard delivery mechanisms might fail or be unavailable. Post-distribution monitoring with beneficiaries as well as implementing partners indicated the following learning points.

Targeting and enrolment

In terms of targeting and enrolment, the intervention clearly highlighted the importance of having comprehensive social protection registries that include sufficient information to target and deliver emergency assistance in a timely manner. Leveraging national social protection system mechanisms – e.g. databases to identify beneficiaries – can support the strengthening of the system by addressing existing gaps or inefficiencies. This includes verifying the information contained in government registries and databases, while involving government actors throughout the whole validation process. This should inform future advocacy to improve the existing database and create a link with the national population database currently being established by the Ministry of Public Security. This would ultimately improve coverage of certain groups, such as non-residents.

Delivery modalities

In terms of delivery modalities, the COVID-19 pandemic exposed some of the difficulties related to delivering assistance to non-resident beneficiaries during particular circumstances that may affect their presence in the targeted area. Missing or incorrect addresses, telephone numbers or even personal details, can prevent delivery. Thus, the validation of registries is once again paramount for successful implementation. Additionally, the intervention showed how careful assessments of delivery modalities and implementing partners need to be conducted based on the circumstances and on the characteristics of beneficiaries. In this case, the capillary presence of post offices in the targeted areas helped overcome difficulties in reaching beneficiaries. As a result, FAO is considering extending its partnership with VNPost.

Human resource capacity

The intervention highlighted how low human resource capacity of government counterparts, namely provincial DOLISA, can hinder targeting and monitoring activities in the field. In the past, partnerships with other actors, such as the Red Cross, allowed FAO to tap into substantial voluntary resources to conduct such activities. During this intervention, the government's mobilization of youth unions and grassroots organizations proved to be crucial in order to access sufficient voluntary human resources to conduct verification and validation of the information contained in social registries.



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Partners

Resource partner

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Technical partners

- Dong Nai Department of Labour, Invalids and Social Affairs
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