



SUMMARY REPORT

**Rapid assessment of the design and
implementation of Government's 2nd support
package for people affected by Covid-19**

(Resolution 68/NQ-CP)

Ha Noi September 2021



SUMMARY REPORT

RAPID ASSESSMENT OF THE DESIGN AND IMPLEMENTATION OF GOVERNMENT'S 2ND SUPPORT PACKAGE FOR PEOPLE AFFECTED BY COVID-19 (Resolution 68/NQ-CP)

DISCLAIMER

This report, funded and commissioned by UNDP in Viet Nam, is prepared by a group of national consultants (from ILSSA – MOLISA). The opinions, analyses and recommendations contained in this document do not necessarily reflect the official opinions of UNDP or its partner organizations.

I. INTRODUCTION

The outbreak of the fourth wave of Covid-19 has been very complicated and has had a serious and prolonged negative impact on people's health, livelihoods and the economy. In response, the Government of Viet Nam (GoV), based on the experience of the first social protection package to mitigate the impact of Covid-19 in 2020 (under Resolution 42/NQ-CP- hereafter referred to as the first package), has issued Resolution 68/NQ-CP dated July 1st, 2021 on policies to support workers and employers impacted by the Covid-19 pandemic (hereafter referred to as the second package). The second package, with a total budget of VND 26 trillion, was designed with the dual goal of “Ensuring social protection and promoting economic recovery, production and business stabilization.” This rapid assessment, conducted in August 2021, aims to provide policy makers designing the third social protection support package, with (i) identified strengths and weaknesses of both design and implementation of the second package in achieving its goals; and (ii) recommendations for improvements. The assessment was conducted by reviewing documents related to the second package, analyzing available data and reports on implementation, interviewing policy makers, experts and representatives of target groups, and several case studies. Relevant information/accounts from official media have also been used to support the findings and recommendations.



II. KEY FINDINGS

THE SECOND PACKAGE FALLS FAR SHORT OF MEETING THE NEEDS OF PEOPLE AND ENTERPRISES SEVERELY AFFECTED BY THE COVID-19 FOURTH WAVE, WHICH IS MUCH LARGER IN MAGNITUDE, OF LONGER DURATION, AND HAS HAD A BIGGER IMPACT THAN THE PREVIOUS WAVES.

A recent survey carried out by the Centre for Analysis and Forecasting of the Viet Nam Academy of Social Sciences found that the fourth wave Covid-19 in Viet Nam has made large impact on vulnerable households. The survey found that in July 2021, 63.5% of all households experienced an income drop of 30% or more from the pre-pandemic period (December 2019). The rate of transient income poverty had surged from under 10% pre-crisis to 33.4% in July 2021 (based on the 2021-2025 poverty line issued by the Ministry of Labour - Invalids and Social Affairs). Half of households (51.2%) had to reduce the amount of food served per meal, and 17.7% of households reduced the number of meals per day. Many households with small children have resorted to reducing milk for infants and children. More than 30% of surveyed households used their savings to sustain the livelihoods and among them 55% reported that their savings have been exhausted in July 2021. According to this report, the situation is especially difficult for Vietnamese migrants, who can neither pay rent where they live nor relocate to their hometowns without difficulty. Qualitative research that forms part of this survey found that Vietnamese migrants who are stuck in the city are vulnerable and find survival in the cities very difficult.

At the same time, the survey indicates that 89.9% of respondents have not received support, while 82.7% of respondents reported the need for assistance. Among 10% of households reporting to have received social assistance, many claimed that despite receiving the support, it has so far been unable to help them cope with the decline in living standards.

While the fourth wave of Covid-19 is of much larger magnitude, longer duration, and making bigger impact than the previous waves, the second package was far too small when held up against all criteria used in this assessment (financial resource, level of benefit and coverage) in both design and especially when considering the actual implementation.

On financial resource:

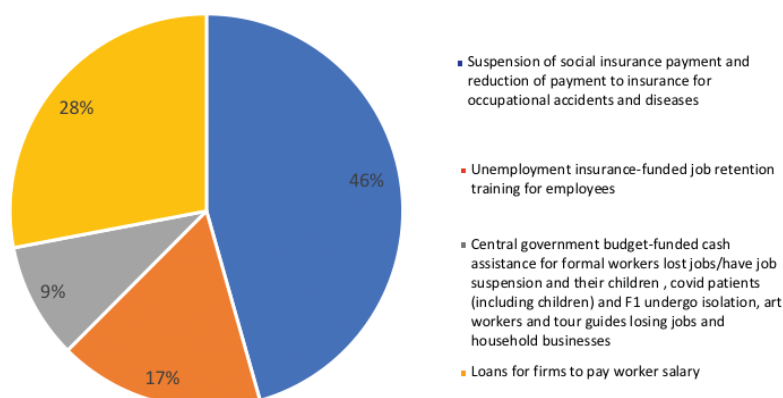
While the second package's total designed budget of VND 26,000 billion (0.4% annual GDP) is considered too small, compounded by its over-reliance on suspension of social insurance payment and reduction of payments to insurance for occupational accidents and diseases. This leaves the resource allocated for cash assistance very much insufficient to meet the needs of people and enterprises severely affected by the fourth wave of Covid-19 in Viet Nam.

Of the second package total designed budget of VND26,000 billion, VND12,146 billion (46%) is the estimated amount of deferred social insurance payment and reduced payment to insurance for occupational accidents and diseases. VND 4,500 billion (17%) is the estimated cost of Unemployment Insurance-funded job retention training for employees and VND7,456 billion (28%) is the amount of (zero interest) loans for firms to pay workers salaries.



Figure 1: Proportion of resource allocation by types of policy under the second package

Note: Financial resources of local government budget-funded cash assistance to informal workers, who lost jobs and other vulnerable groups, is not included in the second package's total designed budget of VND26,000 billion.



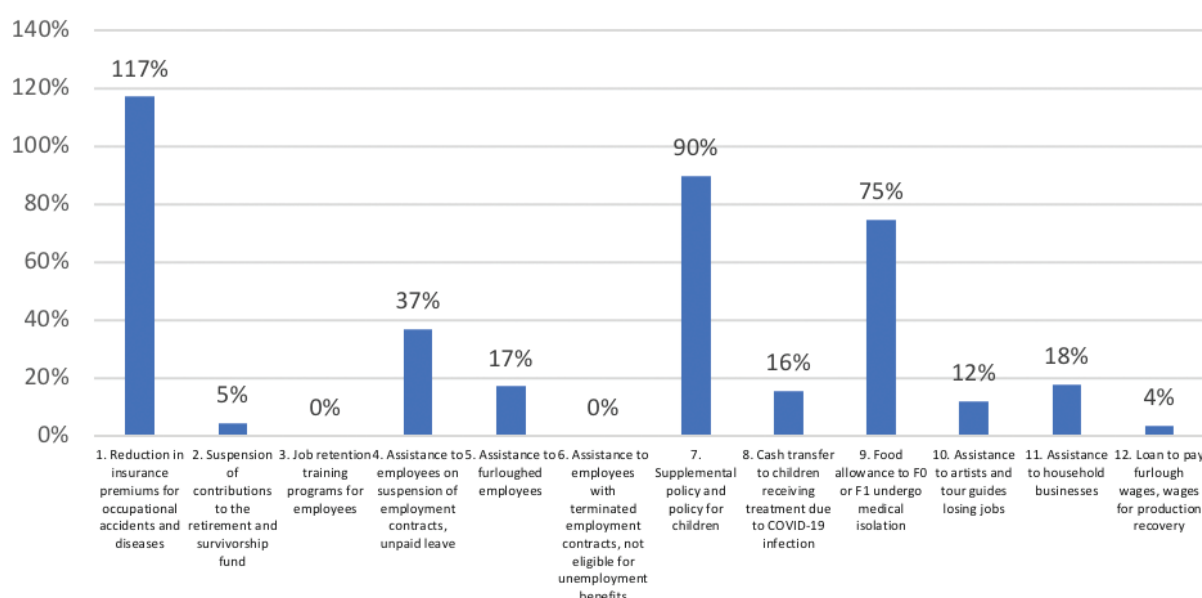
Source: Resolution 68/NQ-CP dated July 1st, 2021

The cash transfers funded by the central budget, the most important direct assistance for the vulnerable people¹, consist of only VND 2,532.7 billion (9%) of the total designed budget of the second package. Figure 1. This amount and the amount of *cash assistance to informal workers who lost jobs and other vulnerable groups* funded by local government (about VND5,100 billion was disbursed by 31 August 2021, after two month of the second package implementation, as reported by MOLISA – see the table 5 in the annex) suggest that the cash assistance programs to support the vulnerable groups affected by the fourth wave Covid-19 is clearly insufficient and much lower than cash assistance budget levels of 5% GDP provided by neighboring countries during the first round of lockdowns in 2020.

**THE ACTUAL
DISBURSEMENT OF
THE SECOND PACKAGE
BY 31 AUGUST (AFTER
TWO MONTHS OF
IMPLEMENTATION)
WAS FAR FROM
SATISFACTORY.**

Only the disbursement rate under the supplemental policy for formal workers with small children and food allowance to F0 that need to be treated with COVID-19 infection (F0) or F1 undergo medical isolation (F1) reached 90% and 75% respectively, arguably with thanks to the simple identification criteria and the low designed budget and coverage of this policy. The disbursement rates of remaining cash assistance policies and loans to pay workers salaries were very low, whereas the disbursement rate of assistance to employees on suspension of employment contracts and unpaid leave reached a modest 37%, albeit the above-mentioned low designed budget levels.

Figure 2: Disbursement rate by 31 August 2021 (% of budgeted)



Source: Calculated from data reported by MOLISA (August 31, 2021).

¹ Formal workers lost jobs/have job suspension and their children, covid patients (including children) and F1 undergo isolation, art workers and tour guides losing jobs and household businesses

THE SECOND PACKAGE'S POLICY OF CASH ASSISTANCE FOR AFFECTED INFORMAL WORKERS HAS BEEN DESIGNED AND IMPLEMENTED WITH LOCAL BUDGETS AS THE SOLE SOURCE OF FUNDING; THIS SIGNIFICANTLY LIMITS THE ABILITY TO MEET THE NEEDS OF PEOPLE AFFECTED BY THE FOURTH WAVE OF THE PANDEMIC, AND AT THE SAME TIME LEADS TO INEQUALITY IN TREATMENT OF BENEFICIARIES BETWEEN PROVINCES.

A difference in the design of the second package's policy of cash assistance for affected informal workers in comparison with the first one is noted by assigning local authorities to (i) develop their own criteria for identifying their eligible beneficiaries and (ii) mobilize local existing (contingency) budgets to cover the locally identified beneficiaries. In some respects, this mechanism is considered a strong point that needs to be further developed. As local government knows the needs and characteristics of the target groups, this may result in more relevant criteria developed for identifying eligible beneficiaries and thereby provision of more timely support will be more feasible. In reality, some localities, like Ha Noi, Ho Chi Minh City, Binh Duong, Ba Ria Vung Tau, Duong Nai, Long An have timely and effectively carried out this policy by providing cash transfers for the informal workers who lost jobs and the most vulnerable people by using their own budget.

The lesson learnt, however, shows that after the first two month of implementation and rather good disbursement rates, most of provinces and cities, especially the least resourced ones and the most affected by the fourth Covid-19 wave, have run out of money after just two months of implementation, leading to a 'stalemate' in which they are unable to find a way to mobilize further local resources to implement such a so-called 'decentralized' policy. Consequently, by August 31st, 2021, after two months of implementing the second package, about VND5,100 billion was disbursed and reached 3,636,891 people (equivalent to about 22% compared to the planned target coverage of 16.5 million). It is noteworthy that the above number of people having received cash support are mainly in rich, better-off provinces and cities (with budget surplus), such as Ho Chi Minh City, Hanoi, Binh Duong, and Ba Ria Vung Tau. Table 5 (in the annex) shows that the cash assistance policy was being implemented in 14 provinces/cities while the remaining provinces and cities had not yet started implementing the cash support policy for their citizens.

The main reason that local authorities, especially in less resourced provinces have not been able to implement the cash support policy for their people, is said to be caused by the lack of financial resources. In fact, most poorer provinces have been facing many difficulties in mobilizing existing financial resources, mainly by making use of their small local reserved contingency budget lines, *which have been designed to respond to idiosyncratic shocks* and therefore are not able to finance larger cash assistance programs to address large-scale disasters, or large scale co-variant shocks like the current COVID-19 pandemic. Even rich cities/provinces find it difficult to finance such programs to address the Covid-19 fourth wave impact from their limited contingency budget lines: reportedly, Ho Chi Minh City requested central government to provide financial support of nearly VND28,000 billion.

Traditionally, financing (emergency) social assistance in Viet Nam is based on the principle of first relying on the local contingency budget line and following requesting the upper levels for support if the local contingency budget lines are exhausted. As experienced, the principle does not work in the large-scale co-variant shocks like the current fourth wave of COVID-19 pandemic. In principle and as experienced in many other countries, social assistance schemes cannot rely on local limited contingency budgets and the central budget should play a leading role in financing social assistance/cash transfer programs at local levels, especially in large-scale shocks. However, it was reported² that Viet Nam's central contingency budget line has been exhausted and the National Assembly's approval for the replenishment is needed. All these indicate *that there is an urgent need for fundamental reconsideration of the principle and approach in financing contingency funds and social assistance programs to address large scale shocks at both central and local levels.*

2 <https://vnexpress.net/bo-tai-chinh-lam-ro-chuyen-du-phong-ngan-sach-het-tien-4357999.html>, Bộ Tài chính làm rõ chuyện dự phòng ngân sách hết tiền. It was also reported that while the central contingency budget was exhausted, the local contingency budgets remain plenty. However, the HCMC's request for central government support may indicates otherwise.

The local budget spending regulations and requirements for residence registration limit ability of many migrant-workers to access the support.

Reportedly, in July 2021, Ho Chi Minh City had to mobilize financial resources from donations to provide support to migrant-workers, who were without the residence registration, while using the HCMC budget to provide support to HCMC residents. It should be noted that (i) migrant-workers also face lot of difficulties in accessing the local government support in many other provinces, (ii) some provinces had to offer support to their citizens who got stuck in cities like HCMC, Binh Duong and Dong Nai, and (iii) recently (late August and early September), due to the need to “keep people where they are”, it was reported that many cities were able to provide support to the migrant workers without residence registration.

BOX 1. MIGRANTS HAVING NO SUPPORT EVEN HAVING AN EXTREMELY DIFFICULT SITUATION

The village head said that I am not eligible for support because I do not have a temporal residence, not KT3. I have lived in this area for 5 years now. When I came to rent the room, I gave my identity card to the owner to apply for a temporary residence. That’s all that I had been told to do. No other officer requested anything else. Male, 40 years old, motorbike taxi driver, Di An, Binh Duong, from Ha Tinh.

I was told that the informal worker having no income like me, must have a household registration certificate or a temporary residence certificate to be certified by the police to receive support. I live in a blocked area, without income and running out of food. I asked for support but the answer is no. It is not my fault for not having a temporary residence. It’s because the landlord and the village head haven’t helped me with the paperwork. I have lived here for 4 years already. Male, 50 years old, porter for hire, Go Vap, Ho Chi Minh, from Nghe An

Source: CAF’s survey on impact assessment of COVID-19 in July 2021

On the level of benefit from the cash assistance component of the second package



A very low level of cash transfer does not meet the minimum living standard of people. The one-time support regulation of the second package for informal employees and self-employed workers is equivalent to only half (50%) of the minimum living standard as well as 50% of the new poverty line, while the level of support for formal workers with labor contracts in some cases is not equal to the minimum wage.

The one-time support policy, with such a low level of support in a context in which the fourth wave of Covid-19 has been making a serious impact over the last three months, and still going on without a sign of relief - cannot meet the needs of the beneficiaries' minimum living standard, let alone those who are most vulnerable and not supported, i.e., the poor, near-poor, social assistance beneficiaries, migrant workers.... See more details in Table 3.

Table 3. Comparison of support levels between the first package and second package

Names of policies	Design		Assessment
	1st support package (NQ42)	2nd Support Package (NQ68)	
Support employees whose labor contracts are suspended	1,800,000 VND/person/month, up to 3 months (5,400,000 VND)	One-time support: 3,710,000 VND/person	+ The support levels of the second package have not improved, and they are even lower than that of first package (which has been evaluated as low).
Support employees who have been terminated from work	Not available	One-time support: 1,000,000 VND/person	
Support employees whose labor contracts have been terminated	1,000,000 VND/person/month, up to 3 months (3,000,000 VND)	One-time support: 3,710,000 VND/person	
Additional support for pregnant and nursing employees	Not available	One-time support: 1,000,000 VND/person	+ Low levels of support – equal to 50% of the minimum living standard/poor standard (for self-employed).
Additional support for infected and isolated children	Not available	One-time support: 1,000,000 VND/child	
Food support for F0, F1	Already in quarantine	80,000 VND/day/person, up to 45 days for F0 and 21 days for F1	+ Most of the policies that only support once lack flexibility and timeliness in the context of a prolonged and increasingly complicated pandemic, as it has become today.
Support employees without labor contracts	1,000,000 VND/person/month, up to 3 months	Minimum 1,500,000 VND/person/time (50,000 VND/person/day)	
Support artists, tour guides	Available for people who lost their jobs	One-time support: 3,710,000 VND/person	
Household business	1,000,000 VND/household/month, up to 3 months	One-time support: 3,000,000 VND/household	

Source: Synthesis and analysis from NQ42, NQ68, MOLISA.



The principle of “one person is only entitled to one time support” is not considered relevant while the policy will be implemented until the end of 2021, arguably showing that the policy designers have not well assessed or anticipated the impact of the Covid-19 pandemic on the lives of people, especially when the supply chains of essential goods are disrupted and broken, causing prices to escalate. People, including self-employed and employees may be affected continuously or repeatedly, due to loss and suspension of jobs and businesses as the result of social distancing and lockdown measures that are also related supply chain disruptions. This is the reason why hundreds of thousands of people, especially migrant workers, have not been able to stay on in big cities such as Ho Chi Minh City, Binh Duong, etc., returning to their hometown in the hope of surviving during the pandemic.

BOX X. DIFFICULT SITUATION OF MIGRANT WORKERS IN PANDEMIC AREAS

“We plan to stay until the pandemic is over and continue working. The more we wait, the more stressed we become, so we decide to return to our hometown” - says P., a worker from Quang Binh who left Binh Duong to come back his hometown.

“We have no choice. If we stay, we won’t have food, our work will be lost. We go out to buy train tickets but now there are no trains. We are forced to ride motorbikes even though we know it’s very dangerous”, C., a worker from Nghe An riding a motorbike to his hometown.

Two months after losing his job, running out of money accommodation, and living on food aid, Mr. Huynh Van S. recklessly rides motorbike with his wife over a distance of nearly 700 km from Ho Chi Minh City to Binh Dinh. On the evening of August 15, 50-year-old Mr. S. and his wife sadly carried suitcases, back to a 15m² room with a musty smell, rented at 1.5 million VND per month, located in the alley of Binh Hung ward, Hoa A, Binh Tan district, after a failed repatriation trip. They were two of nearly 800 motorcyclists who spontaneously returned to their hometown and were stopped by the authorities of Thu Duc City, District 12 and Binh Tan, and campaigned to return to their homes. Source: (<https://vnexpress.net/cuoc-song-co-cuc-cua-nhung-nguoi-muon-roi-tp-hcm-4341653.html>)

On coverage:

The cash assistance component funded by the central budget in the second package underestimated the scope of affected groups it targeted.

The - cash assistance funded by the central budget was designed to reach around 360,000 formal workers who lost jobs or had their job suspended, 20,500 formal pregnant workers and workers with small children (6 and under), 142,000 covid patients (including children) and F1 cases who were subjected to isolation, 28,700 art workers and tour guides losing jobs and 300,000 household businesses. These numbers present small fragments of the real affected groups that the second package targets. It is noted that the second package’s *local budget-funded cash assistance* to informal workers, who lost jobs and other vulnerable groups, at design, targets 15 million people; the number also is much below the level of people who need support, judging from the rate of transient income poverty of 33.4% in July 2021 (based on the 2021-2025 poverty line issued by the Ministry of Labour - Invalids and Social Affairs) estimated by the above-mentioned CAF’s survey.

MORE IMPORTANTLY, THE SECOND PACKAGE’S CASH ASSISTANCE COMPONENT FUNDED BY THE CENTRAL BUDGET, BY DESIGN, MISSED KEY VULNERABLE GROUPS THAT ARE MOST IN NEED OF SUPPORT.

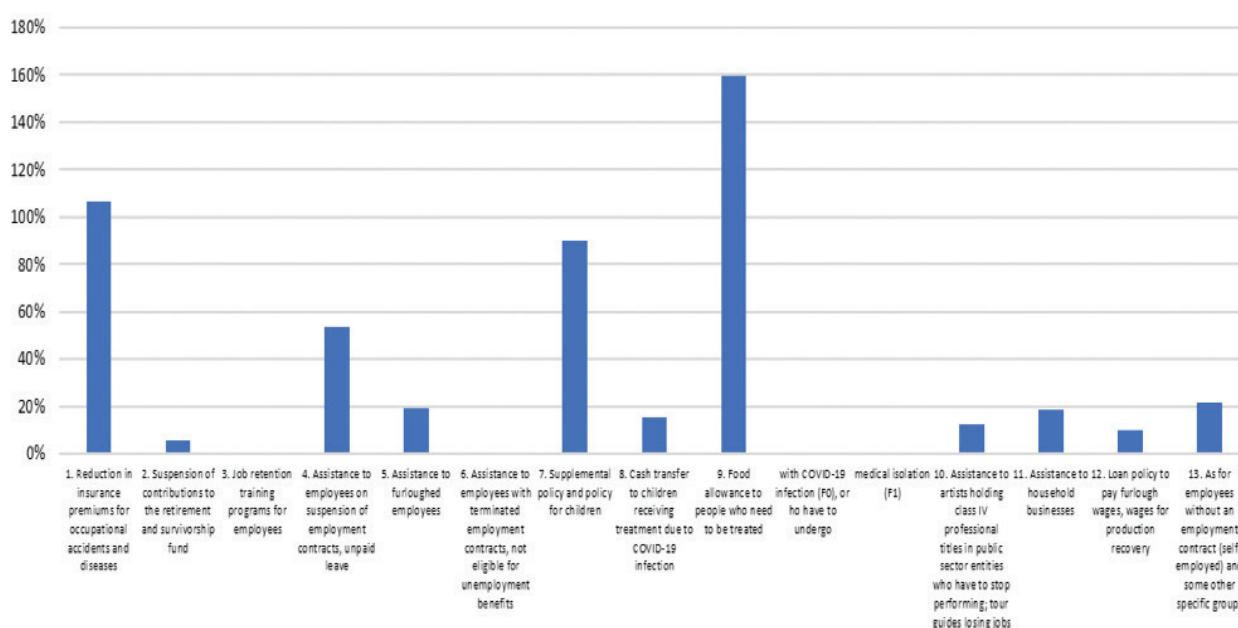
Unlike the first package, beneficiaries of the second package have been identified by sectors of labor, including formal and informal workers and a number of typical occupations, including artists and tour guides. These typical occupations are considered legitimate beneficiaries of the second package, but considered to represent a small number, while vulnerable groups such as poor, near-poor, regular social assistance beneficiaries including elderly, people with disabilities and children who are vulnerable and likely to be most seriously impacted during the serious and prolonged impact of the fourth wave of the Covid-19 pandemic, are not covered by the second package.

Beside financial constraints, the approach of targeting affected workers (not vulnerability-based targeting) and bias towards formal sector and above-mentioned “one person is entitled to only one time of support” principle may explain the second package design missing key vulnerable groups and underestimating the coverage of the designed target groups. It is noted (above) that some cities and province, such as Ha Noi, Ho Chi Minh City, Binh Duong, Ba Ria Vung Tau, Duong Nai, Long An, recognizing the second package’s designed coverage gaps, have used their own budget to provide cash-transfers for these vulnerable people. However, as noted earlier, most other provinces and cities, especially the less resourced ones, cannot implement this.

THE ACTUAL COVERAGE OF THE SECOND PACKAGE BY 31 AUGUST (AFTER TWO MONTHS OF IMPLEMENTATION) WAS VERY LIMITED.

Figure 3 below shows that the actual coverage varies, and the pattern of financial disbursement rates is repeated across policies. The actual coverage was high in some policies such as *reduction in insurance premiums for occupational accidents and diseases*, *supplemental policy for formal workers with small children* and *Food allowance to F0 need to be treated with COVID-19 infection (F0) or F1 undergo medical isolation (F1)*. The actual coverage of remaining cash assistance policies, including local budget-funded *cash assistance to informal workers and other vulnerable groups* as well as *loans to pay workers salaries* were low.

Figure 3: Target groups reached as proportion of designed target groups (%)



Source: Calculated from data reported by MOLISA (August 31, 2021).

Despite some improvement/simplification in administrative procedures of the second package, the targeting approach used in designing the second package has led to complicated requirements for identification of targeted beneficiaries, causing difficulties in the implementation.

Drawing lessons from the first package (which provided very strict regulations to limit abuse of policies), the second package has been designed with simpler administrative procedures and processes, namely: (i) Reducing the condition of the period of suspension of unpaid leave to 15 days; (ii) Removing regulations on tax declaration revenue of less than VND100 million/year for business households, only stipulating to suspend operation for at least 15 consecutive days; (iii) Reducing the conditions for temporary suspension of contributions to the retirement and survivorship fund from 50% of employees to 15% of employees. Such simplification of administrative procedures has to some extent been facilitating faster implementation of the second package.

The second package has also seen some improvement in targeting, especially in the application of a categorical targeting approach for some target groups such as pregnant workers and workers who are raising children under 6 years old in the formal sector. This is considered as new and appropriate in the second package design and has facilitated the implementation process, resulting in a good actual coverage and disbursement rate as noted above. However, the change has only involved a very small number of beneficiaries of 20,500 employees accounting for 0,139% of the total designed coverage of 14,670,700 people.

Despite the improvements, there remains several conflicting targeting criteria and complicated administrative requirements. Specifically, the criteria for identifying beneficiaries who are workers in formal and informal sectors, who lost jobs, whose labor contracts were suspended, medical isolation, etc., are combined with criteria for identifying several specific occupations, i.e., artists and tour guides, unnecessarily confuses and complicates the beneficiary identification process. This eventually leads to a large number of overlapping and omitted cases (over and under-coverage). For example, a tour guide can be an employee whose labor contract is temporarily suspended, or he/she is taking unpaid leave; or he/she has labor contract terminated, but not eligible for unemployment benefits, etc. Additionally, the definition of the above groups is not clear, requiring more specific criteria to define eligible beneficiaries, resulting in many difficulties in the implementation process.

After two months of implementation, many problems have been revealed through the implementation procedures. For example, the requirements (i) that an employer must have tax clearance/finalization by the end of 2020 – while the Tax Law stipulates that a business entity is entitled to clear tax payment within a period of 3-5 years, not annually, so a majority of employers have not yet cleared their tax payment in 2020 (given their difficulties in 2020); or (ii) a household with household business is required to have a certificate of business registration – while many informal sector business entities are without a certificate of business registration. Other examples include (i) conditions for supporting employees that require a written agreement letter on termination or suspension of the labor contract, while most enterprises have just suspended their operations without officially laying off workers; (ii) a tour guide must have career certificate; (iii) a self-employed worker must have temporary residence registration and confirmation that he/she has not received any other support in their hometown etc. Normally, it takes a lot of time and efforts to obtain these required certifications. It may even be impossible to obtain such required documents in a social distancing context. Consequently, many eligible beneficiaries have arguably given up. The above complicated and asynchronous regulations are identified as key barriers, preventing enterprises, business entities and impacted people from accessing the second package, and contributing to the above-mentioned very low disbursement rates and actual coverages of second package's policies.

It should be noted that the second package's policy of supporting informal workers and other vulnerable groups has assigned local authorities to develop their own criteria for identifying their eligible beneficiaries and locally mobilize existing budgets to cover the locally identified beneficiaries. In some respects, this mechanism is considered a strong point, evidenced by several local initiatives, such as in HCMC, Ha Noi, Binh Duong, Ba Ria Vung Tau, Dong Nai and Long An, where local governments, based on their knowledge of the vulnerable people, their needs and characteristics, have developed more relevant criteria for identifying eligible beneficiaries and providing them with more timely support. Further exploration of this topic is recommended to draw important lessons from such initiatives.

**THE IMPLEMENTATION
AND MANAGEMENT OF
THE SECOND SUPPORT
PACKAGE HAS NOT TAKEN
ADVANTAGE OF ELECTRONIC
TOOLS AND INFORMATION,
TECHNOLOGY AND DIGITAL
TRANSFORMATIONS,
ESPECIALLY IN ONLINE
SELF-REGISTRATION
OF BENEFICIARIES AND
E-PAYMENT.**

Though an e-reporting system is in place for real time tracking of results from all localities on the number of beneficiaries, disbursed funding and payments, and some provinces and cities have been testing and strengthening implementation of online public services at level 4 for processing documents through the electronic portal and software, etc., to reduce contacts and avoid Covid-19 infection, it is noted that targeting and identification of beneficiaries, especially those in informal sector, has still been implemented manually by local officials. By doing so they put themselves at risk of virus infection and it leads to a high error of under-coverage. Similar observations can be made on the limited use of digital payment tools for delivering cash assistance to beneficiaries.

III. RECOMMENDATIONS:

- *Immediately implement a new cash transfer program to address the impact of the fourth wave of Covid-19*

A cash transfer program of approximately 5% of quarterly GDP (of around VND 77,000 billion), should be designed and implemented as soon as possible for the final months of 2021. The emphasis should be on rapid disbursement, especially to people who are currently suffering from extremely difficult circumstances due to the pandemic. This would involve a universal cash transfer for all (i) children under 6 years old (about 11 million children) based on birth certificate of the child; (ii) pregnant women; (iii) the elderly people from 60 years or older (about 11.5 million older people) including elderly from 80 years of age or older that are beneficiaries of receive regular cash assistance that are without pension – based on their identifications; (iv) people with disabilities and (v) any other group of people that commune level governments determine as falling into deprivation;

The level of per month cash assistance should be at the “minimum living standard” defined by MOLISA and the duration of cash assistance the same as the duration of the lockdown period;

The method of identification of “other population groups/individuals” needs to be based on “self-registration” and local government verification, ideally through digital means (building on the good experience from Dong Nai); the cash assistance should be provided through electronic payment tools (such as e-transfers to banks accounts/e-wallets, mobile money tools); the central budget mobilized exclusively to fund the cash assistance program.

- *Combined with other support, such as*

Building on the experience of HCMC in helping to maintain the delivery essential goods (foods and other daily necessities) to households in lockdown areas, considering to allow online shopping/e-commerce platforms, including workers of suppliers of online shopping/e-commerce platforms and shippers to operate in a “safe mode”, by providing vaccination to workers of suppliers of online shopping/e-commerce and shippers, enforcing requirements and training for them to strictly follow safety standards such as keeping distance, avoiding contact, wearing masks, using hand sanitizers, etc.



To help Vietnamese migrant-workers stay where they are and protect them from deprivation, the central government needs to issue an immediate ban on evictions (of migrant-workers, especially those that fall in the categories of the above-proposed cash assistance program) in affected areas, where landlords can apply for rent replacement grants from the local governments. The grants could be provided after the verification of the applications by local governments on the eligibility of the renters and/or applying self-selection methods such as making grants based on categories of housing and (and/or as proportions of) rent value (low housing quality or low rent value often means low-income renters). It is important to ensure migrant-workers' equal access to vaccination wherever they are.

- ***In the medium term, accelerate the reform of social assistance policies and programs to make them more inclusive and shock-responsive, by***
 - Accelerating the implementation of the Master Plan for Social Assistance Reform and Development (MPSARD) approved in 2017 to expand *regular cash assistance to all that are in vulnerable categories, such as people with disabilities and their care-givers (most of them are women), young (under 3 or 6) children and elderly (60-79 years of age) without pension, pregnant women and single-parents working in the informal sector;*
 - Transforming existing emergency cash transfer schemes based on idiosyncratic risks into programs that address risks affecting large numbers of people, for example natural hazards, pandemics and economic crises. This can be implemented by developing and applying triggers that would (i) be based on clear *large-scale emergency criteria (based on the level of impact of large-scale disasters resulting from natural hazards, pandemics and economic crises on large numbers of people)* and (ii) allow the application of *an automatic increase in the coverage of, and benefit levels for* the above-mentioned vulnerability-based categories of the regular cash assistance programs as well as any other group of people that commune level governments determine as falling into deprivation.
 - The additional cost of the increase could be financed by a contingency fund, at both central and local government levels that would be (i) allocated funds from government budget (at both levels) regularly/annually, (ii) accessed/utilized *only* when the above-mentioned *large-scale emergency* criteria are met, and which would otherwise be *accumulated*. The Central (National Contingency) Fund would be used to provide larger central government matching grants to provinces and cities, especially those with limited financial resources that are affected heavily by the pandemic to accelerate implementation and increase coverage.
 - *Moving away from a residence-based social assistance system, which excludes Vietnamese migrant workers, to the one that is based on national citizenship, for example through applying a digital system – based on the national digital ID system – for eligible beneficiaries to self-register, local governments to verify and for central government to monitor and evaluate on a continuous basis. This digital system, if combined with the application of digital payment tools, could help not only with enhancing the transparency of management and implementation of the social assistance programs, but also deliver cash assistance to beneficiaries quickly and safely.*

Table 1. Targeted groups and budget of the 2nd support package

Policy	Targeted unit (1000 people)	Support Budget (billion VND)	Funding sources
1. Reduction in insurance premiums for occupational accidents and diseases	11,000.0	3,696.0	Occupational accident and disease insurance fund
2. Suspension of contributions to the retirement and survivorship fund	1,150.0	8,450.0	Suspending payment; At the end of the payment suspension period, the payment must be made without paying interest on late payment.
3. Job retention training programs for employees	1,000.0	4,500.0	Unemployment Insurance Fund
4. Assistance to employees on suspension of employment contracts, unpaid leave	200.0	742.0	State budget
5. Assistance to furloughed employees	60.0	111.3	State budget
6. Assistance to employees with terminated employment contracts, who are not eligible for unemployment benefits	100.0	371.0	State budget
7. Supplemental policy and policy for children	20.0	20.0	State budget
8. Cash transfer for children receiving treatment due to COVID-19 infection or subject to medical isolation under a decision of a competent authority	42.0	42.0	State budget
9. Food allowance to people who need to be treated with COVID-19 infection (F0); people who have to undergo medical isolation (F1) under a decision of a competent authority	100.0	240.0	State budget
10. Assistance to art directors, actors, painters holding class IV professional titles in public sector entities engaged in performing arts (excluding art units of the armed forces) who have to stop performing arts to prevent and control the COVID-19 pandemic; tour guides losing job	28.7	106.4	State budget
11. Assistance to business households	300.0	900.0	State budget
12. Loan policy to pay furlough wages, wages for production recovery	670.0	7,456.0	The State Bank refinances the Bank for Social Policies
Total 1 (1-12)	14,670.7	26,634.7	
Assistance to employees without labor contracts and some other specific groups	15,000		Based on specific conditions and local budget capacity

Table 2. Comparison of scope beneficiaries between the first package and second package

Types of policies	1st package	2nd package
1. Insurance policy (from the Fund of Labor Accident and Occupational Disease Insurance)		
Reduce the insurance premium for occupational accidents and diseases	Not available	All employers and employees participate in occupational accident and occupational disease insurance Expected: 11 million workers
Suspension of contributions to retirement and death funds	Employers and employees participating in social insurance in enterprises must reduce 50% of employees because of the impact of Covid-19 (then adjusted to 20% according to NQ154). Estimated: 6 million employees	Employers and employees participating in social insurance, in enterprises must reduce 15% of employees because of the impact of Covid-19 Expected: 11.5 million employees
Support training to maintain employment	Not available	Employers have to pay unemployment insurance for employees; there is a change in technology structure; revenue decreased by 10%; have a training plan Expected: 1 million workers
2. Loan policy (The State Bank refinances the Bank for Policies)		
Loan to pay severance wages	The employer has financial difficulties and has paid 50% of the severance pay to the employee in accordance with the provisions of the Labor Code. Expected: 3 million workers	Employers are entitled to borrow money to pay severance pay for employees participating in social insurance who are forced to stop working for 15 consecutive days or more. Expected: 220,000 employees
Loan for production recovery	Not available	Employers who have to temporarily suspend operations due to the requirements of pandemic prevention and control when returning to production are entitled to a loan to pay for employees participating in social insurance. Expected: 440,000 employees
3. Cash support policy (State budgets at central and local levels)		
Support employees whose labor contracts are suspended, stopped or terminated	Employees whose labor contracts have been suspended from performing their labor contracts for 1 consecutive month or more and are participating in social insurance. Employees with terminated labor contracts, who are participating in social insurance but are not eligible for unemployment benefits Expected: 1.5 million employees	Employees, who is participation in social insurance, with labor contracts are suspended for 15 consecutive days or more Employees, who are participating in social insurance, are suspended from work because they are subject to medical isolation for 14 consecutive days or more, Employees, who are participating in social insurance but are not eligible for unemployment benefits, whose labor contracts are terminated, Expected: 360,000 employees
Supporting pregnant and nursing laborers	Not available	Employees whose labor contracts are suspended, stopped, or those who are pregnant, raising children under 6 years old, participating in social insurance Expected: 20,500 employees

Source: Synthesis and analysis data from Resolution 42 and 68, reports of MOLISA.

Table 3. Comparison of support levels between the first package and second package

Names of policies	Design		Assessment
	1st support package (NQ42)	2nd Support Package (NQ68)	
Support employees whose labor contracts are suspended	1,800,000 VND/person/month, up to 3 months (5,400,000 VND)	One-time support: 3,710,000 VND/person	<p>+ The support levels of second package have not improved and are even lower than that of first package (which has been evaluated as low).</p> <p>+ Low level of support – equal to 50% of the minimum living standard/poor standard (for self-employed).</p> <p>+ Most of the policies only support once, lack of flexibility and timeliness in the context of a prolonged and increasingly complicated pandemic as it is today.</p>
Support employees who have been terminated from work	Not available	One-time support: 1,000,000 VND/person	
Support employees whose labor contracts have been terminated	1,000,000 VND/person/month, up to 3 months (3,000,000 VND)	One-time support: 3,710,000 VND/person	
Additional support for pregnant and nursing employees	Not available	One-time support: 1,000,000 VND/person	
Additional support for infected and isolated children	Not available	One-time support: 1,000,000 VND/child	
Food support for F0, F1	Already in quarantine	80,000 VND/day/person, up to 45 days for F0 and 21 days for F1	
Support employees without labor contracts	1,000,000 VND/person/month, up to 3 months	Minimum 1,500,000 VND/person/time (50,000 VND/person/day)	
Support artists, tour guides	Available for people who lost their jobs	One-time support: 3,710,000 VND/person	
Household business	1,000,000 VND/household/month, up to 3 months	One-time support: 3,000,000 VND/household	

Source: Synthesis and analysis from NQ42, NQ68, MOLISA.



Table 4. Status of support and disbursement of second package to August 31, 2021

Policy	Number of beneficiaries			Disbursement rate		
	Designed number (1,000 people)	Actual results (1,000 people)	(%)	Designed (billion VND)	Actual results (billion VND)	(%)
1. Reduction in insurance premiums for occupational accidents and diseases	11,000	11.709.8	106.5	3,696.0	4,322.0	116.9
2. Suspension of contributions to the retirement and survivorship fund	1,150	61.7	5.4	8,450.0	392.9	4.6
3. Job retention training programs for employees	1,000	0.0	0.0	4,500.0	0.0	0.0
4. Assistance to employees on suspension of employment contracts, unpaid leave	200	106.8	53.4	742.0	273.1	36.8
5. Assistance to furloughed employees	60	11.5	19.1	111.3	19.1	17.2
6. Assistance to employees with terminated employment contracts, not eligible for unemployment benefits	100	0.4	0.4	371.0	1.1	0.3
7. Supplemental policy and policy for children	20	18	89.8	20.0	18.0	89.8
8. Cash transfer to children receiving treatment due to COVID-19 infection	42	6.6	15.7	42.0	6.6	15.7
9. Food allowance to people who need to be treated with COVID-19 infection (F0), or who have to undergo medical isolation (F1)	100	159.3	159.3	240.0	178.7	74.5
10. Assistance to artists holding class IV professional titles in public sector entities who have to stop performing; tour guides losing jobs	28.7	3.5	12.1	106.4	12.9	12.1
11. Assistance to household businesses	300	55.9	18.6	900.0	161.5	17.9
12. Loan policy to pay furlough wages, wages for production recovery	670	67.6	10.1	7,456.0	266.1	3.6
Total 1 (1-12)	14,670.7	12,200.9	83.2	26,634.7	5,652.1	21.2
13. As for employees without an employment contract (self-employed) and some other specific groups	15,000	3,292			4,436	
TOTAL 2 (1-13)	29,670.7	15,492.9			10,088.1	

Source: Calculated from data reported by MOLISA (August 31, 2021).

Table 5. Cash support results by region and some localities

Order	Region/Local	Number of beneficiaries (people)	Expenditures (thousand VND)
I	Northern mountains	45,774	93.385.191
1	Bac Giang	34.550	72.235.121
II	Red river delta	500.192	502.350.07
1	Hanoi	472,916	473.592.132
III	North Central and Central Coast	150,063	202.082,957
1	Khanh Hoa	51.506	93.584.535
2	Danang	64,833	51.154,225
IV	Highlands	81,725	122.761,482
1	Lam Dong	74.033	112.192,508
V	South East	2.277.133	3,351.408.955
1	City. Ho Chi Minh City	1,780,667	2,691,912,570
2	Binh Duong	246.037	376,199,035
3	BA Ria Vung Tau	97,649	130,345,093
4	Dong Nai	54,322	81,376,500
VI	Mekong Delta	582,004	819,535,896
1	Long An	92.637	126,827,400
2	Bac Lieu	81,878	121.012.510
3	Tra Vinh	74,992	114.503.850
4	Dong Thap	65,916	106.210.460
5	Kien Giang	66.228	100,963,350
	Whole country	3,636,891	5,091,524,488

Source: Real time data from MOLISA reporting system (August 31, 2021).





