Improving The Efficiency Of State Management Using Oda Capital In Investment Projects To Construct Irrigation Works In Vietnam

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Abstract

Official Development Assistance (ODA) is vital in upgrading irrigation works systems, serving the development of agriculture and other socio-economic sectors, and raising the level of assurance safety against natural disasters. The management of projects using ODA has made progress and achieved remarkable results. However, there are still many shortcomings that need to be addressed appropriately.

Keywords: Project management, ODA capital, Irrigation works

1. INTRODUCTION

Official development assistance (ODA, which stands for Official Development Assistance) is grants or loans with favorable conditions (in terms of interest rates, grace periods and repayments) from institutions. Official agencies of countries and international organizations, non-governmental organizations for Vietnam. Among the bilateral and multilateral donors, there are 4 key donors including the World Bank (WB), Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), Korea Economic Development Cooperation Fund through Korea Export-Import Bank (KEXIM).

Capital construction investment is an important field, playing a key role in building material and technical foundations, industrialization and modernization of the country. For Vietnam, a country with 75% of the population working in the fields of agriculture and rural areas, capital construction investment in the field of irrigation plays a very important role, it is the foundation for building infrastructure for service. development of agriculture, rural areas and many other economic sectors.

Vietnam's agriculture sector, where nearly 70% of the country's population is concentrated, has a high poverty rate. During this period, the Government of Vietnam announced the Strategy for Comprehensive Growth and Poverty Reduction (CPRGS). The ODA mobilized for irrigation work managed by the CPO Board is about USD 1,034.98 million, and a loan of USD 843.35 million with 10 projects (ADB1, ADB2, ADB1+2, ADB3, ADB4, WB1), , WB2, WB3, WB4 and JICA1).

Starting in 1993, Vietnam received ODA support from major international donors such as the World Bank, the Asian Development Bank (ADB) and the Governments of Japan, Great Britain, France, and Germany, Australia, Belgium, Denmark, the Netherlands, Korea... In which, ODA for agriculture is focused on the development of sustainable agriculture such as construction, upgrading and repair of irrigation works, rural
transport, perfecting institutions, promoting environmentally friendly sustainable agricultural production... promoting domestic resources and increasing the position of the agricultural industry in the international arena.

2. CURRENT SITUATION IN MANAGEMENT OF INVESTMENT PROJECTS CONSTRUCTION OF HYDRAULIC WORKS USING ODA

Over the past 20 years, the Government of Vietnam and donors have prioritized the use of ODA to support the agricultural sector with a signed capital of 8.85 billion USD, of which programs and projects directly managed by the Ministry of Agriculture and Rural Development with a total ODA capital of more than 5.48 billion USD. Particularly in the five years 2011-2015, the Ministry of Agriculture and Rural Development directly managed and implemented about 100 ODA programs and projects with a total capital of 2.7 billion USD, equal to about 50% of the total ODA capital invested by the Ministry of Agriculture and Rural Development. The ministry managed the whole period from 1993 to 2012, in which grants accounted for 17.06 %, the remaining 82.94% were ODA loans and concessional loans. Grant aid in the agricultural sector maintained for many years at a high rate, second only to the Health, Education and Training sectors. This is an advantage, but also a challenge, because this source of capital is declining sharply in the context that Vietnam has become a middle-income country. Therefore, it is necessary to have policies and timely solutions to adjust the allocation of development investment capital for fields that have long used a lot of non-refundable ODA.

- There are too many ODA project management boards, but the efficiency is not high. According to the World Bank (WB) and Asian Development Bank (ADB), the number of ODA project management units of these two donors has now reached 500 units out of a total of 1,000 units in the whole country. The number of such project management boards is too much and leads to waste. However, despite the large number, the management capacity and disbursement progress of many project management boards in recent years are still weak, the project implementation results have not met the initial plan.

The number of project management units (PMUs) is large, but the committees still work in a passive position. The previous lesson, when assigning the right to be an investor to the project management board, caused many negative things to arise, but with the later revised regulations, the project management boards are only agencies to assist the owner. In practice, new problems arise. Due to the lack of power and passive management of the management boards, the project implementation process faced many difficulties. Issues arising during the project implementation, the PMU must consult the Investor and the Donor.

Currently, most localities still apply the model of ODA project management in the form of "establishing a PMU for each project under the Department of Agriculture and Rural Development", most of the PMU staff is concurrent responsibility, investment in research and work is not wholeheartedly done. On the other hand, after the project ends, the PMU must also be dissolved. At this time, the PMU staff, who have accumulated a lot of knowledge and experience, are no longer "the land of martial arts". When there is a new project, a new PMU is established, with new staff, very wasteful. The discrete cost of each project to a project management board, the regular costs for salaries, machinery, equipment, working rooms, tables and chairs... are a lot. When establishing a common provincial PMU, it will be much more economical than separate PMUs.

- Project implementation resources: staffs

The work of attracting and mobilizing ODA is mostly part-time, especially in localities, with limited foreign language skills, so the mobilization of donors is very limited, the access to donors to understand Knowing the criteria and priority areas of funding to mobilize and attract ODA capital for the locality is still difficult. In addition, staff members of PMUs are still weak in terms of expertise, expertise, foreign languages as well as communication skills with donors. The direct management agencies are still weak in monitoring, supervising and evaluating ODA projects according to current regulations.

- The implementation of projects is often delayed in many stages: slow procedures, slow implementation, slow disbursement, low disbursement rate. Therefore, the long project completion time creates difficulties, especially the actual investment capital often increases more than expected and committed, and also reduces the effectiveness of the project when going to work. into operation and exploitation. A good example of a delay is the Environmental Sanitation Improvement Project in Nha Trang City, Khanh Hoa Province. The project has been around since 2004 but it was not until 2007 that it was implemented, and it was not until 7 years later, on November...
7, 2014 that the project was inaugurated[6], thus, from the time of the project until the date of construction. Completion of the project took up to 10 years.

- The monitoring and evaluation of the investment status of ODA projects is incomplete and has many limitations. Especially, the monitoring, statistics, inspection and evaluation of the effectiveness of the works after the investment is still open, except for the projects on loan and in the repayment period. Management results are often evaluated only by works (complete level, implementation progress) without considering the post-investment efficiency once the project is put into operation. This view and approach makes it difficult to evaluate and direct investment from ODA sources, creating waste and avoiding the responsibility of relevant departments.

- There is an overlap in investment preparation and implementation procedures. According to the Ministry of Finance, only 4% of ODA capital applies bidding regulations and 3% uses Vietnam's public financial management system, the rest is in the donor's way. Therefore, many projects at the same time have to carry out two systems of procedures, one to deal with internal problems in the country, the other with sponsors. This prolongs the project implementation time and increases costs.

- Construction consulting has been improved and increasingly improved in quality, however, there are still many shortcomings, limited professional capacity, low quality project documents, design and estimate, Inadequate and accurate calculations and forecasts lead to many projects having to adjust and supplement the scale and total investment, causing difficulties in the implementation process and slowing down the construction investment progress. For example, the project Strengthening Irrigation Management and Renovating Irrigation Systems (ADB5), this project is expected to close the loan on June 30, 2016 but recently (June 2014) has had the following items: must be adjusted and supplemented with a budget of 9 million USD[3].

3. IMPROVING THE EFFICIENCY OF MANAGEMENT OF INVESTMENT PROJECTS CONSTRUCTION OF HYDRAULIC WORKS USING ODA

- It is necessary to have the right awareness of ODA capital. If ODA is not used effectively, it will not only cause financial damage but also lose the strategic initiative in operating a country's right to self-determination.

- Develop a project to attract and use ODA capital in the field of irrigation. The goal of the project is to strengthen partnerships and create trust for donors.

- Based on this orientation, the industry

Irrigation needs to develop a specific project for the sector. The use of ODA for irrigation development must be focused and focused, avoiding scattered investment.

- Apply a suitable and professional ODA project management model. To attract and disburse using ODA capital to ensure progress and efficiency, the role of ODA project management boards at all levels, especially at the local level, is very important. Currently, most of the ODA projects are organized and managed in the form that each project establishes a PMU, most of the PMU staff is part-time, so investment in research and work is not fully devoted. idea. Establishing a standard and appropriate PMU will make the disbursement process of ODA projects faster. Professional PMUs often know how to exploit and take advantage of the knowledge they have learned over the years. many years. If the committee cannot be established, it will also cause difficulties for the locality.

However, it should be recognized that when Vietnam joins the group of middle-income countries, ODA capital will gradually decrease, so the organization should not be too cumbersome. The technical and planning personnel should work under the full-time mode, the administrative positions, clerical positions, drivers, housekeeping... can work under the part-time mode to reduce costs.

- Strengthen the capacity of project management staff. People have always been considered the decisive factor to the success or failure of all socio-economic activities. In ODA projects, the staff in the Project Management Units play a particularly important role from the stage of project feasibility to the end of the project.

The staff in the project management units must be trained and understand the procedures from the stage of making the feasible project to the completion of the project according to the Government's regulations, in addition, they must be familiar with the regulations and procedures. Donor's procedures to ensure consistency and meet the requirements of both parties. Currently, most project staff in Vietnam are selected by the project owner,
mainly from industries directly related to the project, participating in the project for the first time, so they have no
experience in the field. Project implementation. Project managers often work part-time. Therefore, the capacity of
the staff has not met the requirements due to lack of quantity, weak capacity, mainly part-time, so lack of
professionalism. Project management in Vietnam in general and in the field of irrigation in particular does not
currently have many skilled staff. It is this limitation that causes losses for the Vietnamese side in the
implementation of projects and programs to support agricultural and rural development. In order to overcome the
weaknesses in the project staff, the project management boards need to urgently train and retrain the project staff,
especially at the local level, so that they have sufficient capacity and quality. Ethos meets job requirements.
Besides, it is also necessary to actively train a team of skilled staff to meet the human resource needs of programs
and projects in the field of rural development. In the immediate future, it is necessary to strengthen the opening of
training and retraining courses for the provincial project management board officials related to the implementation
of ODA programs and projects in the fields of agriculture and rural areas so that these officials can have a high
level of competence. In-depth expertise, good understanding of international donor procedures. As a result, the
process of preparing and implementing projects and programs is quick and on schedule. Training courses for this
audience need to focus on the contents of ODA policies, procedures and procedures of the Government and donors,
find out the unbalanced regulations and propose remedial measures to ensure progress. In addition, in order to
recruit good staff with experience in project management, it is necessary to openly and transparently recruit project
staff.

In addition to professional capacity, it is necessary to pay attention to training staff with good foreign
language skills, full of bravery and capacity to be ready to cooperate in implementing ODA programs and projects.

- Pay more attention to the operation, maintenance after the ODA project ends. The practice of managing
ODA projects shows that only focusing on construction works, disbursing allocated capital, not paying enough
attention to "post-investment", especially building operational accountability mechanisms, maintenance, project
maintenance. Therefore, the efficiency and sustainability of the building are limited. Irrigation works have a wide
construction scope and diverse service objects, so operation and maintenance are very important. Therefore, in the
coming time, it is necessary to pay more attention to the handover, operation and maintenance of irrigation works
funded by ODA programs and projects.

4. CONCLUSION

ODA is still a significant and important source of capital for the Vietnamese economy in general and the irrigation
sector in particular. Effective management of construction investment projects using ODA capital not only helps
build infrastructure for socio-economic development but also creates trust for donors. Effective project
management depends a lot on human factors, so it is necessary to pay attention to fostering and improving the
qualifications of project managers. For localities, it is necessary to study and apply the model of a professional
ODA project management unit, directly under the Provincial People's Committee to reduce the apparatus, save
costs and focus on one focal point.

On the side of the Ministry of Agriculture and Rural Development, directly the General Department of
Irrigation, the Central Management Board of irrigation projects, it is necessary to develop a specific scheme on
attracting, managing and using ODA in the field of irrigation. Irrigation sector to increase the efficiency of capital
use. In addition, the legal environment in ODA project management is also very important, the author will analyze
and present in the following articles.

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