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**MINISTRY OF AGRICULTURE AND RURAL DEVELOPMENT –  
A LINE AGENCY IN ODA MANAGEMENT AND IMPLEMENTATION**

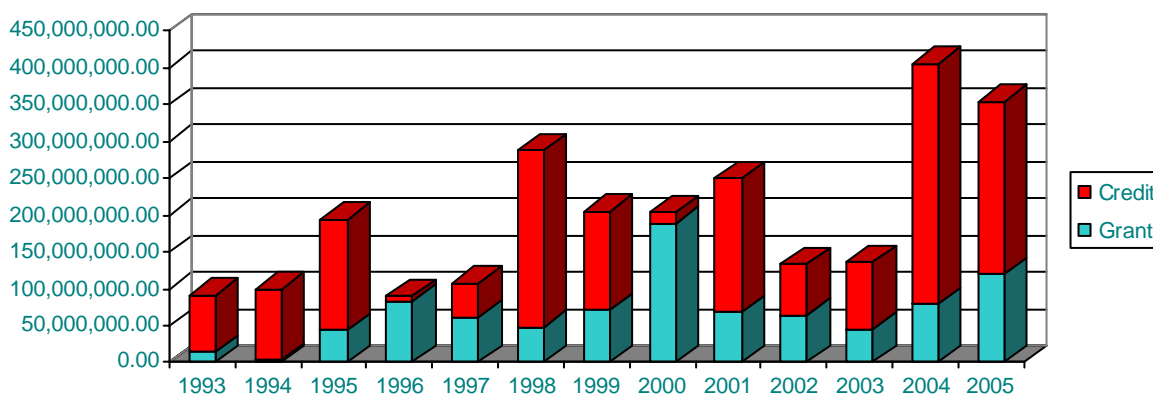
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## **I. Overview on the ODA mobilization and utilization in Agriculture and Rural Development Sector**

1.1. ODA resources in the Agriculture and Rural Development Sector have following features: large scale, annually stable, balanced among areas and relatively high ratio of the grants within total mobilized ODA.

- Scale of ODA resources for period 1995 -2005:

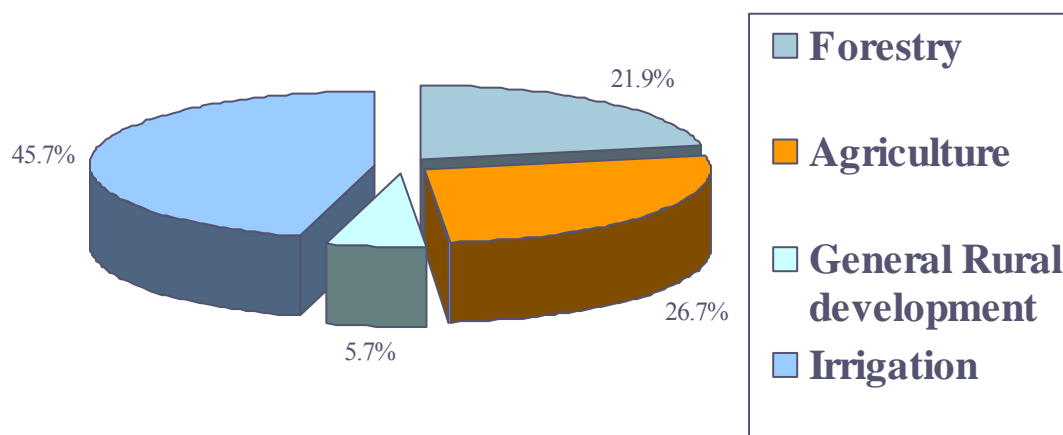
*Figure 1: Annual ODA signed at MARD (1993 – 2005)*



*Source: ISG – ICD, MARD*

- Allocation of ODA resources among areas: (Agriculture, Forestry, Irrigation, General Rural Development)

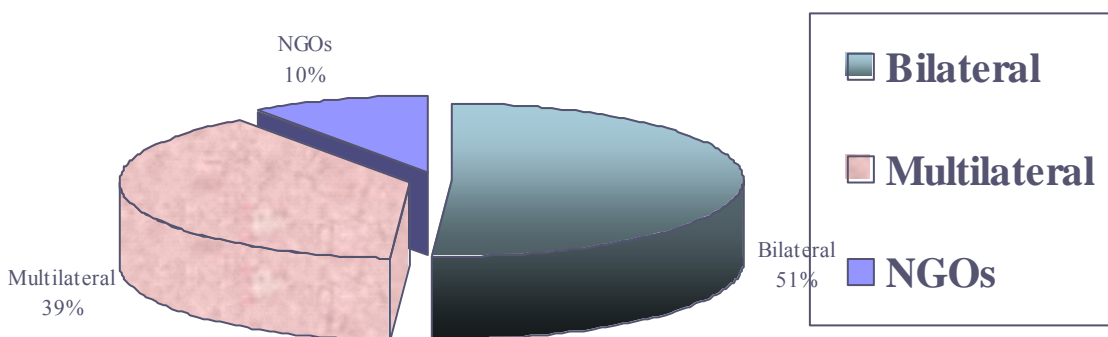
*Figure 2: ODA allocation for areas (1993 – 2005)*



Source: ISG – ICD, MARD

**1.2. Agriculture and Rural Development Sector attracts a number of donors with various type of assistance**

*Figure 3: ODA for Agriculture and Rural Development Sector from donors (1993 – 2005)*



Source: ISG – ICD, MARD

**II. Role of MARD in coordination and collaboration for program/project supporting Agriculture and Rural Development**

*2.1. Planning for Investment Policy and Calling for Funding*

- Outputs based and community participation planning

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- Sector wide approach
  - Enhancing policy dialog with donor community, NGOs...
  - Information exchanges among donors and national relevant agencies in-time
  - Transparency for policies and plans
  - Implementation programs/projects in direction of decentralization and authorization.

### *2.2. Implementation Modalities for MARD's ODA Programs*

- Stage of Priority Formulation: through ISG Office, partners (Forestry, Disaster Mitigation, Clean water and Rural environment sanitation...).
- Stage of Project Preparation: MARD assigns provinces, its departments, Institutes for implementation.
- Stage of Project Implementation: MARD assigns Units of CPO (Irrigation, Agriculture and Forestry) to managing implementation credit projects and a number of grant projects. The Institutes and Colleges are assigned to implement Technical assistance Projects.
- International Cooperation Department plays a role of coordinating agency for the whole above mentioned activities.

### *2.3. Responsibility and Institutional Arrangements for ODA management within MARD*

- Decree No. 86/2002/NĐ-CP of 5 November 2002 by Government regulating functions, tasks for each department, institutes within MARD in aspects of ODA management and implementation.
- Decision by the MARD's Minister No 45/2004/QĐ-BNN of 30 September 2004 stipulating Regulation on management and utilization of ODA for Agriculture and Rural Development Sector.
- Decision by the MARD's Minister No 17/2005/QĐ-BNN of 22 March 2005 amending, adjusting functions and organizations of some units within MARD, of which: assigning ICD to take lead in preparation of master plan, plans, mechanisms and monitoring, examining and synthesizing for submission to

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Minister on the aspects: international integration, *ODA management, NGOs and Foreign Direct Investment in the sector of agriculture and rural development.*

- Decisions by the MARD's Minister on the functions, tasks, responsibilities of the central Project Management Units (Irrigation, Agriculture, Forestry in ODA project management (Decisions No. *100/QĐ-BNN, 101/QĐ-BNN, 144/QĐ-BNN and 37/QĐ-BNN*)
- Project Management Units (CPMU) under CPO: For specific project, Ministry issues CPMU establishment decision in which project management responsibilities for certain period with functions, task are specified. Models of CPMUs are not the same due to the different requirements from organizational structure and implementation mechanisms. It is to highlight that **CPMU is not investment owner**; CPMU is just assigned by investment owner to implement a number of tasks.

### **III. Application of the Sector wide approaches (SWAps) in MARD**

- The Forestry sector was pioneer in SWAp by late decade 90, however, up to date implementation of SWAp in Forestry sector is still facing difficulties;
- Transition from project approach to program approach: WaterSPS, ASPs...
- Establishment of the partnership groups: ISG, FSSP, NDM-P and WRSSP. Purpose of these partnership groups are to: strengthen ownership role of MARD, create forum for policy exchanges and dialog, coordinate cooperation between MARD and donors and other line ministries, localities;
- Annually, MARD in consultation with key donors such as ADB, WB...to formulate prioritized program/ sectors for coming years and implement in accordance with program framework;
- MARD is one of five ministries (Ministry of Health Care, Ministry of Education and Training, Ministry of Transportation, Ministry of Finance and MARD) that are requested by Government to implement in form of pilot Mid term Expenditure Framework (MTEF);
- Continuous efforts in implementing PAR over past years resulted in clarifying and simplifying process, procedures and accountability;

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- MARD is active in preparation of 5 year plan period 2006-2010 in consultation of stakeholders.

However, in order to implement SWAp effectively, it is needed to:

- Re-define scale of sector and sub sector in the field of Agriculture and Rural Development instead of existing scale for Agriculture, Forestry, Irrigation and general rural development;
- To complete policy/strategy for each sector, sub sector; and
- To set up a monitoring and evaluation system adequately and effectively.

#### **IV. Models of ODA project management in sector and issues to be addressed**

- Project design showed a number of weakness, for many projects, the project designers and project implementers used to be different.
- Vietnamese counterparts have still not fulfilled ownership role because of weaknesses in using foreign languages and applying international procedures. In many cases, benefits of the project implementers are not incorporated with project. Hanoi Core-Statement against ODA is in theory.
- A system of M&E Indicators, esp. for quality has not met requirements yet.
- Functions of CPO are not clear enough and not the same. Capacity of the CPOs are weak (it just focuses on disbursement rate -output rather than how many poor people gained benefits from project).
- A number of STA have not met professional requirements and are unextensive working experiences in developing countries.
- Procedures of Government and donors are still very different to each other.

#### *\* Recent changes on ODA project management in MARD*

- To enhance decentralization for ODA projects within MARD
- To strengthen monitoring, evaluation of ODA project implementation
- To promote policy dialog (ISG), enhance SWAp
- To promote role of the sector partners (NDM-P), WWS-P, Forestry Sector Support Program and Partners (FSSP&P), ISG...

**V. Extensive Issues to be discussed:**

- How to have sector mechanism in ODA (instead of existing ministry mechanism)?
- How to enhance active role of localities in proposing, development and implementation management of ODA project under assistance of ministries?

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