

JICA - CIEM STUDY ON DONOR PRACTICES IN VIETNAM

The "Voices of the Recipients" have been compiled and analyzed by a study of JICA. JICA commissioned the Central Institute for Economic Management (CIEM) to conduct a study, from 2002 through early 2003, to grasp transaction costs incurred in the grant aid in Vietnam. Findings of the study were compiled in the "Report on Donor Practice in Vietnam". Up until now, several studies have been carried out on the transaction costs in Vietnam. In this context, this Report is characterized by:

- targeting four sectors that receive large portion of assistance to Vietnam, namely, agriculture and rural development, health care and medical service, education and training, and transport;
- conducting interviews directly from the recipients' side of assistance, instead of the donors, to obtain their real "voices";
- carrying out multifaceted analysis on those "voices", taking into

account arguments of both Vietnam and donors; and

- presenting direction to improve the situation.

According to the Report, when asked what kind of donor practices are obstructing efficient assistance, the Vietnamese side mentioned the following elements:

- **over-presence of donors** during the project preparation/implementation stages;
- **low quality of consultants;**
- **project budget is not executed as planned.** On the other hand, to the question what negative elements are attributable to the Vietnamese government, following answers were given:
 - **troublesome government internal procedures for appraisal and approving new projects;** and
 - **cumbersome internal procedures for obtaining a counterpart fund.**

Judging from what the Report says, one may conclude that both the Vietnamese

government and the donors should commit themselves to carrying out the basic matters steadily and without fail. It is a paradoxical truth that putting basics into practice is a hard task. JICA's "Report on Donor Practices in Vietnam" makes us aware anew the significance of these fundamental issues.

The next thing we should aim at is to reflect these findings into action. As for Japan, taking into consideration of these findings and through the new mechanism of consultation with MPI, it intends to enhance aid effectiveness in the grant area in identifying the areas to improve and taking concrete measures for it.



The project for Improvement of Cattle Artificial Insemination Technology

VARIOUS ASPECTS OF CAPACITY BUILDING

In recent years, capacity building is lively discussed in the international donor community. In the context of aid effectiveness, capacity building has two aspects: the one is the capacity building for ODA management; and the other to knowledge/technology transfer from donors to developing country in general. While the former is important from the standpoint of making full use of the ODA, the significance of the latter should never be overlooked, since many of the ODA projects have "capacity building" in this sense as their main objective.

To make the analogy of a football game, the skill of the player (capacity of the implementing agency) is essential to have a good match (effective development effect). The presence of the experienced coach (ODA) helps the level up of their skill. To improve the communication between the players and the coach (improvement of ODA management) is important, however, the significance of the skill of the player should not be forgotten as the most essential element to have a good match.

In January 2003, UNDP, the WB, Canada and JICA jointly sponsored "the Symposium on Capacity Development: Concept and Practice" in Manila. The conclusion was that the key elements for effective capacity building include: (1) accurate understanding of local needs; (2) making good use of existing local skills; (3) utilizing and transferring skills and knowledge possessed by foreign countries; (4) establishing a mechanism to accelerate ownership of the recipient country; (5) providing technical assistance that pre-suppose the existing institutions; and (6) ensuring skills and knowledge that recipient

country receives are passed on from individual level to organizational levels, and consequently across the society as a whole. For your reference, the Second Symposium on Capacity Development will be held in Tokyo early February in 2004 next year



Nghe An Reproductive Health Project