

Sharing information on some important activities taking place in the agriculture and rural development sector

NEW STATUTE ON MANAGEMENT OF AID, PROGRESS OF PUBLIC ADMINISTRATION REFORM, AND PUBLIC EXPENDITURE REVIEW

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A. Amending and revising the Regulation on Management of International Assistance for the Agriculture and Rural Development Sector

The Ministry of Agriculture and Rural Development has recently revised and issued the Regulation on Management and Use of International Assistance for the Agriculture and Rural Development Sector (as per Decision No. 45/2004/QD-BNN dated 30 September 2004) to replace the Regulation on Management of Programmes and Projects Using International Assistance Under the Jurisdiction of the Ministry of Agriculture and Rural Development (as per decision No. 132/1999/QD-BNN/HTQT dated 22 September 1999).

(Please see the full text of Decision No. 45/2004/QD-BNN and of the related Regulation in the appendices).

Reality shows that many of the contents of the former Regulation have proven unsuitable and inappropriate for the management practices of the sector and new stipulations of the laws, therefore it needs amending and revising. Over the past few years, the Government, Ministries and sectoral agencies also issued many legal normative documents guiding and governing the management of programmes and projects using international assistance which were issued at different points of time and makes it very difficult for application and compliance. Therefore, the Regulation issued as per Decision No. 45/2004/QD-BNN has been prepared and developed in the direction of providing general guidance on the terminology, the content and specific processes and procedures for the mobilization, attraction, management and use of foreign sources of assistance for the agriculture and rural development sector, with a view to securing convenience, unified application and compliance, and avoidance of referring to numerous legal normative documents at the same time, for users.

In a hope to facilitate and to enable the task of managing programmes and projects using international assistance in the sector, the Ministry of Agriculture and Rural Development wishes to share information on this document for colleagues to get to know and to cooperate better.

B. Progress in the public administration reform in the Ministry of Agriculture and Rural Development:

Implementing the Master Programme on Public Administration Reform of the Government, the Ministry of Agriculture and Rural Development has been focused on performing some urgent PAR tasks regarding organizational restructuring of the administrative apparatus, institutional reform and administrative procedure reform, human resource development, reform of public finances, and modernization of the public administration.

1 – Restructuring the sectoral administration system

Implementing Decree No. 86/2003/ND-CP of the Government stipulating functions, responsibilities, powers and organizational structure of the Ministry of Agriculture and Rural Development (MARD), MARD has created some new directorates and departments, and revised functions and responsibilities of certain directorates, departments and centers that fall under MARD's jurisdiction. The Minister of Agriculture and Rural Development has issued decisions defining functions, responsibilities and organizational structure of the apparatus of each and every directorates and departments. As a result, at the central level, functions, responsibilities, powers and mandates of each and every directorates and departments have been made clearer thus minimizing unnecessary overlapping, duplications or gaps in task areas. At the local levels, the Ministry of Agriculture and Rural Development has coordinated with the Ministry of Home Affairs (MOHA) to issue the Circular on Guidance for Functions, Responsibilities and Organizational Structure of the Administration Apparatus of the Agriculture and Rural Development Sector at the provincial and district levels. To date the organizational structure of the sectoral administration apparatus has been strengthened both at the central and local levels. MARD is currently reviewing the results of 1 year implementation so as to make more appropriate adjustments.

The system of scientific research institutions and training institutions of the Ministry of Agriculture and Rural Development has been subject to researches and organizational restructuring with a view to bringing into play maximal scientific and technological potentials of the sector for sake of industrialization and modernization of agriculture and rural areas. Based on assessments of farmers' needs regarding public services undertaken by MARD, MARD has decided to merge 7 institutes and centers within Hanoi into a big institute.

2. Institutional renovation

MARD at present has been reviewing and taking stock of all legal normative documents with a view to abolishing those documents that have been no longer valid and revising those documents that contain unnecessary overlapping and duplications. Processes and procedures for the issuance of legal normative documents governing sectoral management is being upgraded and renovated with decentralization orientation, towards clarity, specificity, easy understanding and easy application/compliance. New rules and regulations on processes, procedures and responsibility regimes to carry out the business of MARD and its directorates and departments; the Regulation on management, attraction and use of ODA funds; and other regulations on decentralized management/administration, have been or are in the process of being reviewed, thereby to make MARD's workflow more open, transparent, effective and efficient.

Rationalization and simplification of administrative procedures has been vigorously stepped up. MARD at present has been guiding specialized some sectoral directorates to rationalize and simplify administrative procedures, to embark a one-stop-shop mechanism in those task/function areas that greatly affect and are related to organizations and citizens.

3. Human resources development

MARD is in the process of redefining skill profiles and standards for categories of civil servants and the required number of cadres and civil servants for various positions. On such a basis, training needs assessment and training/ upgrading courses for cadres and civil servants of MARD have been carried out. MARD at present is piloting a new way of administrating competitive entrance examinations, which will be open and transparent, ensuring enhancement and improvement of the quality of cadres and civil servants. A PMIS has been operated and introduced, and it is considered to be one of the effective and efficient ways of human resource management and development. Human resource development of local government has also been given due attention, especially training and upgrading in such areas as scientific and technological knowledge and management for farmers, owners of plantations, and cadres working in agricultural cooperatives.

4. Regarding public finances:

Processes and procedures for management of capital construction investment projects, ranging from identification of investors, development of feasibility study, allocation of budget, management of disbursement, etc., have been renovated step by step towards democracy, openness, and more decentralized. Management of spending of State budgets directly allocated and funds provided by international programmes and projects is becoming more open and stringent, gradually moving from “ante assessments” to “post-ante assessments”. New Government policies regarding public finances, especially vis-à-vis public service delivery agencies, have been applied throughout the sector. Block staffing and block grants for administrative management are being piloted with the Department of Planning for review and lesson learning and replication purposes.

5. Regarding modernization of the public administration

The application of information technology in managerial leadership of MARD has been taking place both in depth and in width. Investments have been made for the development of infrastructure of information technology, human resources and database. The Center of Integrated Data and Electronic Portal is being designed for construction. Many softwares for management of administrative documents and management of construction works and projects of MARD are being applied. Sources of international funds are being used effectively and efficiently in expanding information sharing between MARD and local governments through a series of activities such as support to 23 provincial departments of agriculture and rural development in terms of equipment and training, development of database for the National Center of Agricultural Extension, the Center of Information technology and R&D institutions.

To meet farmers’ needs in information, apart from mass media, with UNDP’s support, MARD is making all necessary preparations for the creation of Telecenters in certain communes in 7

ecological agricultural zones on a pilot basis. Reviews and lesson learning will be conducted for replication purposes.

C. Public expenditure review in the sector of agriculture and rural development for the 1996-2003 period

1. Background and objectives:

The Government of Vietnam has decided to conduct a public expenditure review (PER) and an integrated financial assessment (IFA) to review policies and management of public expenditures in order to identify measures and solutions to ensure that public expenditure programmes support most effectively development goals and priorities. In addition to such a general review, the PER-IFA will select four sectors (namely, agriculture and rural development, education, health, and transport) and four provinces for detailed reviews. The Ministry of Finance will be a focal point for the PER-IFA. This has been the first time ever the Ministry of Agriculture and Rural Development directly conducts a PER as such.

Apart from the general PER-IFA objectives, the report of the agriculture and rural development sector will also aim to strengthen MARD's capacity of conducting a public expenditure review for better management and leadership, provision of input analyses for the development of the State budgets of 2005 and the pilot of a Mid-term Expenditure Framework of the agriculture and rural development sector for the 2006-2010 period. PER will also provide a basis for donors' reference with regard to making their funding decisions.

2. Scope:

The reviews will focus on MARD primarily and expenditures at the provincial level in the same aspects. PER will also focus on analyzing some key spheres of agriculture such as irrigation, farming, agricultural extension and forestry.

3. Progress schedules

The report has been developed and completed primarily by the Compilation Group of MARD's Department of Finance, in association with reference of inputs of ideas from national and international advisers and consultants. A workshop was conducted to collect inputs of ideas with the participation of MARD's various directorates and departments, some Ministries and sectoral agencies, other national and international consultants and advisers, and international donors.

4. Results:

The report provides an overview of levels and common trends of public expenditures and their sources in the agriculture and rural development sector, categorized in terms of purposes, economic contents, budgeting levels (i.e. central, provincial, regional), responsibilities, institutional issues, etc., in relation to indicators for outputs, effectiveness and efficiency. On the other hand, the report also gives an in-depth analysis of policies, implementation and management of public expenditures within the sector, including the impacts of decentralized

public expenditures on MARD's public expenditure programmes focusing on provision of public services to the agriculture sector (e.g. agricultural extension). Finally, the report brings forward some recommendations for MARD as well as some related Ministries and sectoral agencies.

We wish to share the final version of the report with the ISG Steering Committee. You may wish to come up with some suggestions or comments for MARD to give some further fine-tuning to this report, which will be used as a basis for policies, strategies and priorities of the sector in the upcoming time.

5. General assessment of public expenditures in the agriculture and rural development sector

During the past few years, agriculture and rural areas of our country gained important achievements, positively contributing to economic, political and social stability, and improving the living conditions of the population throughout the country.

Budget expenditures for agriculture for the 1996-2003 period accounts for an average of 6.64% of the total budget expenditures and 1.57% of GDP. However, this level of expenditures only meets 50-60% of the practical needs.

Investment priorities towards 2010:

- Continuing to make investments in development and upgrading of irrigation systems towards multi-purpose services, shifting in the structure of crops and livestock, and preparedness for mitigation of natural disasters;
- Making investments in development of other infrastructure works and facilities such as transport, electricity supply, domestic water supply;
- Making investments in afforestation and zoning for regeneration of preventive forests and endemic forests;
- Making investments in building and development of scientific potentials, especially biological technology, application of information technology in agriculture and rural development areas, strengthening agricultural extension; making investments in development of seeds and breeds, such as importation, selection and genetic engineering, multiplication, and provision of seeds and breeds;
- Supporting and encouraging investments in development of post harvest technologies;
- Making investments in human resource development, strengthening training/upgrading activities to develop in a well-aligned manner a contingent of cadres and civil servants including scientific research workers, and managers in all levels, especially at the communal and ward levels;
- Making investments in market research work and development of markets for Vietnam's agricultural strategic commodities; researches in development of market strategies; and
- Continuing to renovate production relationships for them to be appropriate and suitable with the practical production situation, restructuring agricultural/ forestry farms and plantations, enhancing productive effectiveness and efficiency, and better exploitation of soil potentials.