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**GOVERNANCE** 

# RESOURCE ALLOCATION AND IMPLEMENTATION OF DONOR FUNDED PROJECTS IN VIETNAM

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# ABSTRACT

**Purpose of the study:** The study sought to examine the relationship between resource allocation and the implementation of donor-funded projects in Vietnam. One of the essential aspects of effective project implementation is resource allocation.

**Methodology:** The study was literature-based and findings from the previous studies were used to make the conclusions of the current study.

**Findings**: Based on the reviewed literature, it was found that resource allocation positively affects the implementation of donor-funded projects in Vietnam. Resource allocation is assigning the best available resources to tasks and projects. Resource allocation manages workloads to ensure under or overutilization does not happen during project implementations. Financial resources, monitoring and evaluation, stakeholder participation, and communication influence the effectiveness of donor-funded programs.

**Conclusion:** The study concluded that resource allocation had a significant impact on project implementation. Resource allocation is key for project management since it allows managers to plan and make the needed adjustments for project implementation or to achieve specific goals.

Assigning the appropriate resources to the appropriate projects increases the success of the projects. Resource allocation is a plan developed to make the most of the available resources at the disposal of a project. The success of a project can only be achieved if the resource allocation is maintained sufficiently.

**Recommendations:** The study recommended that managers of a project should be familiar with the expertise of the available resources as part of the process. Suitable financing structures with proper record-keeping on resource control to implement a project are critical. There should also be proper financial plans to govern project funds by accounting for cash spent on projects and keeping records on how capital invested in projects is managed. In addition, there is a need for a regular audit to ensure the resources are efficiently allocated.

## Keywords: Resource allocation, project implementation, donor funded projects, Vietnam

# **BACKGROUND OF THE STUDY**

The process of assigning the best available resources to activities and projects is known as resource allocation (Eirgash, 2020). Workloads are managed by resource allocation to avoid under or overutilization. Based on current resource availability and project timeframes, people are then reassigned as needed. Resource allocation is key for project management since it allows managers to plan and make the needed adjustments for project implementation or to achieve specific goals (Taghipour, Shabrang, Habibi & Shamami, 2020). Firms can schedule their resources and track the success of their teams. Understanding this is much more than simply distributing work is critical. One of the most important aspects of effective project implementation is resource allocation. However, assigning the appropriate resources to the appropriate projects takes time (Sankaran, Vaagaasar & Bekker, 2020). Managers should be familiar with the expertise of the available resources as part of the process. Resource allocation is crucial in project management because it enables managers to plan and prepare for project implementation or goal achievement. Furthermore, it aids in resource planning and provides insight into the project team's progress (Chofreh, Goni, Klemeš, Malik & Khan, 2020).

The process of putting a project plan into action to produce deliverables, also known as products or services, for clients or customers is known as project implementation. The implementation refers to carrying out the tasks outlined in your work plan. Heyse, Morales and Wittek (2021) reported that implementing a donor project is a very difficult job that necessitates the coordination

of numerous operations, the supervision of a team, financial management, and public communication, among other things. Donor-funded projects are planned to supplement the government's developmental activities for its people (De Silva, Yapa and Vesty, 2022). The initiatives can be supported with a small budget and set up in a disorderly structure, particularly in emergencies and humanitarian needs. Resource allocation manages workloads to ensure under or overutilization does not happen during project implementations. Financial resources, monitoring and evaluation, stakeholder participation, and communication influence the effectiveness of donor-funded programs. Assigning the appropriate resources to the appropriate projects increases the success of the projects.

Resource allocation is a plan developed to make the most of the available resources at the disposal of a project. The success of a project can only be achieved if the resource allocation is maintained sufficiently. For example, over the last decade, Vietnam has become one of the most attractive host nations for multilateral and bilateral aid donors; it is now the World Bank's second-largest aid recipient (Dole, Lewis-Workman, Trinidad & Yao, 2021). This is impressive, given that Vietnam is still a communist one-party state and that most donors have only recently begun working with the nation on development issues. Apart from its great performance in reducing poverty and economic growth, Vietnam is popular because it is regarded as a good aid recipient: In fact, Vietnam is frequently cited as a best practice example in aid management and government ownership of the development agenda (Schippers, 2018).

Today, the Vietnamese government wishes for faster international integration. Further thorough reforms are required to achieve this goal, and the donor community has offered significant resources to aid the country's growth and internationalization (Morris, Rockfellow & Rosen, 2021). However, the state continues to desire a dominant role in this process. One major concern is how the state-donor relationship has influenced Vietnamese growth and development planning. Due to external impacts from foreign aid and relations with donors, the state plays a key role in project implementation and administration. Many institutional elements influence how the state manages project implementation and integrates funders into the development and change process (Berezin, Sergi & Gorodnova, 2018). Historical experiences and internal government politics can hinder the implementation of a project.

In terms of project performance and success, planning is a critical component. It is a continuous process throughout a project's delivery (Shenhar, Dvir, Levy & Maltz, 2021). According to project planning approaches, project implementation entails a hierarchical arrangement of phases, duties, and activities to be accomplished in projects. Thus, project planning entails applying skills, techniques, and tool comprehension to project activities to outlive the expectations and needs of project stakeholders and assure sustainability. Setting goals and determining what the project encompasses are all part of project implementation. Bibri, Krogstie and Kärrholm (2020) noted that people who achieve their goals do so because they set clear goals and create strategies and schedules to attain them. They take personal responsibility for carrying out their plans. Goals provide direction for what one is involved in and foster excitement. Any goal-setting process includes some level of effort needed to achieve it.

Their surroundings heavily influence projects in underdeveloped nations (Glyptis, Christofi, Vrontis, Del Giudice, Dimitriou & Michael, 2020). Furthermore, the project environment in most developing nations is volatile, with rapid changes in markets, shifting funding sources, and frequent changes in government regulations and the business environment. Furthermore, corruption, war, drought, and government political priorities affect initiatives in those countries (Nguyen & Ogunlana, 2019). For example, the cost of construction supplies may rise over time due to changes in government policies (devaluation of its currency and inflation). Many initiatives to transfer project management knowledge and technology to developing nations have failed, owing to a lack of senior management backing and a belief that project management methodology is not suitable in developing nations. Thus, the study sought to examine the relationship between resource allocation and the implementation of donor-funded projects in Vietnam. The study was literature-based and findings from the previous studies were used to make the conclusions of the current study

# LITERATURE REVIEW

Ogunlana (2018) noted that the allocation of resources is a key aspect of project management. The study adopted the cross-sectional research design. Unstructured questionnaires were used to collect the data. The study focuses, particularly human resource allocation. The target population included 10 project managers in Thailand. The findings of the study showed that allocation of resources have significant positive effect on project implementation in Thailand. The fundamental goal of

the study is two-fold: The concept of the Human Resources Information Set (HRIS) and the Human Resources Information Set Extension (HRIS-E), which are utilized in project scheduling and resource allocation, is introduced in this work. Several modes of HRIS-E application in project management are presented. There are additional practical examples of HRIS-E use and the benefits realized. Other studies are devoted at the advanced application of the notions given. It was concluded that projects that were provided with adequate resources were implemented well. The study recommended that projects ought to be given enough resources and of good standards starting from labour in terms of employees who have the needed skills and abilities in a particular project.

Engwall and Jerbrant (2020) reported that project management resource allocation issues are notoriously difficult. As a result, developing effective algorithms for tackling numerous special instances is a major challenge. The study utilized a descriptive research design. The sample consisted of 40 project managers in Pakistan. A structured questionnaires and interviews were used to collect information from respondents. Data was obtained from both primary and secondary sources. The results of the study found that resource allocation affects project implementation any project either positively or negatively depending on the amount of resources allocated. The study demonstrates a particular case of the problem, in which a program has a certain structure. In such a program, the resource allocation problem is lowered to a basic Johnson's problem or job-shop scheduling problem. Some resource kinds are recommended to have effective solution approaches that reduce to maximum flow concerns. In other cases, heuristic rules are created, together with a description of the scenarios in which these rules allow for good enough solutions. The research concluded that adequate resources should be allocated to different projects in the country so that they are completed within the set period and to benefit the residents of Pakistan.

The study by Taghipour, Shabrang, Habibi and Shamami (2020) showed that that resource allocation had a significant impact on project implementation. The success of a project can only be achieved if the resource allocation is maintained sufficiently. Resource allocation is key for project management since it allows managers to plan and make the needed adjustments for project implementation or to achieve specific goals. A project manager is in charge of estimating and allocating these resources within a project. The project manager's position is critical to the project's success. Project managers create a resource allocation strategy that includes every facet of every

resource required for the project from start to finish. Assigning the appropriate resources to the appropriate projects takes time and effort. Managers should be familiar with the expertise of the available resources as part of the process. Resource allocation is key for project management since it allows managers to plan and make the needed adjustments for project implementation or to achieve specific goals. Assigning the appropriate resources to the appropriate projects increases the success of the projects. Resource allocation is a plan developed to make the most of the available resources at the disposal of a project. The study recommended that managers of a project should be familiar with the expertise of the available resources as part of the process. Suitable financing structures with proper record-keeping on resource control to implement a project are critical. More training is required for community representatives and shareholders, in general, to educate them on the purpose of the initiatives. This insight will assist them in determining whether or not the projects met their objectives. There should also be proper financial plans to govern project funds by accounting for cash spent on projects and keeping records on how capital invested in projects is managed. In addition, there is a need for a regular audit to ensure the resources are efficiently allocated. Training and in-service courses on project implementation should be provided to project staff. This will provide them with the necessary skills and knowledge for project implementation.

Hinz and Vargiolu (2020) argued that generation production of successful software project is among the important considerations of software industry. Several factors influence the development of high-quality software products, including money, timeline, and resource constraints. A project manager is in charge of estimating and allocating these resources within a project. As a result, the project manager's position is critical to the project's success. The study is an empirical investigation of many projects generated in a product and service based CMMI Level 5 Software Company. The inquiry results demonstrate that the aforementioned elements have a substantial impact on the performance of the program and the organization. The report also highlights the critical role of project managers in optimizing resource allocation for software development. The research examines the influence of a project manager's efficiency in allocating resources such as time, money, and the number of developers. The awareness of the project manager's efficiency level in the optimal allocation of resources enables one to achieve the required level of quality. The study recommended that project manager's efficiency should be of high quality so that the project is implemented perfectly.

Mayeregger, Noguera, Rodríguez, Romero, Mazzoleni, Torres and Fariña Gómez (2020) study sought to determine the impact of resource allocation on project implementation in Paraguay. The study's specific aims were to assess the impact of resource allocation on project implementation in Paraguay. The resource-based theory and the allocation theory were applied. The data was collected through Multi-Stage Cluster Sampling from 40 respondents. Questionnaires and interview guides were used to collect the data. According to the results of the research, resource allocation had a significant effect on the project implementation efforts. The association between resource allocation and project execution was shown to be statistically significant (p=0.000). Based on the findings, the study advises that project managers create a resource allocation strategy that includes every facet of every resource required for the project from start to finish.

Beath, Christia and Enikolopov (2019) noted that the Afghanistan government seeks to provide water and sanitation services to all citizens, largely through Water Works Development Agencies (WWDAs). The purpose of this study was to investigate the effect of resource allocation on project implementation by WWDAs in Afghanistan. A census of all agencies in Afghanistan was conducted, and a sample of 80 workers from these agencies completed a questionnaire. Questionnaires were used to obtain primary data, which was then cleaned up and processed in the Statistical Package for Social Sciences. To analyze and interpret the data, descriptive statistics measures of central tendency were utilized, while skewness and kurtosis were used to confirm the normal distribution of data. In ordinal regression, inferential statistics were used to look for a probable association between the independent and dependent variables. The evaluation results demonstrated that resource allocation had a major impact on WWDA project implementation in Afghanistan. According to the data, there was a strong positive and substantial relationship between the dependent variable and resource allocation. As a result, the study found that resource allocation had a favorable and significant impact on project implementation by Afghanistan's WWDAs. According to the report, any variation in resource allocation resulted in a proportional variation in project implementation by WWDAs in Afghanistan.

Zhong, Chen, Zhou and Hu (2018) argued that the effectiveness of resource allocation can be gauged by how much it effects project implementation. The research topic is to evaluate the effects of resource allocation on the project performance of the ICARDA project in Pakistan. The study's

general goal was to analyze the effects of resource allocation on project performance. The research's specific aims were to examine the effects of financial resource practices on the ICARDA project, and the implications of material and time resource practices on the timely implementation of the ICARDA project. The study's design is a cross-sectional study that employs both a quantitative and qualitative method. The study's target demographic includes all 500 women who are members of the ICARDA Project in Pakistan's Balochistan, Punjab, and Sindh provinces. A 100 person target group was chosen using the purposeful sampling technique. The research has a sample size of 80 people. A questionnaire was utilized to gather primary data, while an in-depth interview guide was used to obtain qualitative data during a focus group discussion. Quantitative data will be analyzed utilizing SPSS version 20, while qualitative data will be analyzed using narratives of themes and sub-themes. Graphs, bar charts, tables, and pie charts were utilized to illustrate information derived from primary data. Ethical difficulties were resolved within the Islamabad City administration in order to carry out the research with the ICARDA project members.

Hung and Shiu (2019) discovered that the process of allocating resources to activities during the course of a project is known as resource allocation. Despite sophisticated software packages devoted to tracking tasks, resources, and resource assignments, project managers frequently discover that some resources have been over-allocated and are thus unable to perform the assigned work in the allotted period of time. In some cases scheduling software allows for resource leveling, but the strategies for doing so merely add time to the plan and can cause delays in activities that are key to fulfilling project deadlines. The study describes a software application that guarantees that resources are correctly balanced at the start of a project and prevents resource allocations and availability, and project scope change. The program employs the bounded enumeration technique to generate an optimal schedule that takes into account both the job order and resource availability. It is executed on a database server to shorten its execution time and make it a viable application for practitioners.

# **RESEARCH FINDINGS**

Based on the reviewed literature, it was found that resource allocation positively affects the implementation of donor-funded projects in Vietnam. Resource allocation is assigning the best

available resources to tasks and projects. Resource allocation manages workloads to ensure under or overutilization does not happen during project implementations. Financial resources, monitoring and evaluation, stakeholder participation, and communication influence the effectiveness of donor-funded programs. One of the most important aspects of effective project implementation is resource allocation. Financial resources, monitoring and evaluation, stakeholder participation, and communication influence the effectiveness of donor-funded programs.

The administrators in donor-funded programs may need a thorough understanding of donor expenditure standards, resulting in ineligible expenditures due to a lack of professional training in budgeting, accounting, and foreign assistance management. Donors may withdraw further funding as a result of this. Most donors have various goals. Due to external impacts from foreign aid and relations with donors, the state plays a crucial role in project implementation and administration. Many institutional elements influence how the state manages project implementation and integrates funders into the development and change process. Implementing a donor project is a tough job that requires the coordination of numerous operations, the supervision of a team, financial management, and public communication, among other things.

#### CONCLUSION

Taghipour, M., Shabrang, M., Habibi, M. H., & Shamami, N. (2020). The study concluded that resource allocation had a significant impact on project implementation. Resource allocation is key for project management since it allows managers to plan and make the needed adjustments for project implementation or to achieve specific goals. Assigning the appropriate resources to the appropriate projects increases the success of the projects. Resource allocation is a plan developed to make the most of the available resources at the disposal of a project. The success of a project can only be achieved if the resource allocation is maintained sufficiently. Resource allocation is key for project management since it allows managers to plan and make the needed adjustments for project implementation or to achieve specific goals. A project manager is in charge of estimating and allocating these resources within a project. The project manager's position is critical to the project's success. Project managers create a resource allocation strategy that includes every facet of every resource required for the project from start to finish. Assigning the appropriate resources to the available resources as part of the process.

# RECOMMENDATIONS

The study recommended that managers of a project should be familiar with the expertise of the available resources as part of the process. Suitable financing structures with proper record-keeping on resource control to implement a project are critical. There should also be proper financial plans to govern project funds by accounting for cash spent on projects and keeping records on how capital invested in projects is managed. In addition, there is a need for a regular audit to ensure the resources are efficiently allocated. Training and in-service courses on project implementation should be provided to project staff. This will provide them with the necessary skills and knowledge for project implementation. More training is required for community representatives and shareholders, in general, to educate them on the purpose of the initiatives. This insight will assist them in determining whether or not the projects met their objectives.

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