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## **Attracting ODA investment in Binh Duong province of Vietnam. Current situation and solutions**

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### **Abstract**

In recent years, ODA capital is no stranger to developing countries, including Vietnam. In the Party's and State's socio-economic development guidelines, Official Development Assistance (ODA) official development assistance (ODA) is one of the important foreign capital sources. However, ODA cannot replace domestic capital but only a "catalyst" that facilitates the maximum and effective exploitation for the use of capital in industrialization and modernization of the country. It can be seen that Vietnam is receiving a lot of ODA from many countries around the world, including refundable ODA and non-refundable ODA. Binh Duong is also one of the hot spots of ODA since the ability to attract capital from many foreign investors is not small. Since its inception, aid has always contained two goals that coexist in parallel. The first goal is to promote sustainable growth and reduce poverty in developing countries. The second goal is to strengthen the political status of donor countries. Developed countries use ODA as a political tool: to determine their position and influence in the countries and regions where ODA is received. Therefore, please receive ODA wisely and civilly.

**Keywords:** Current situation, solutions, attraction, ODA, Binh Duong

### **1. Introduction**

After the era of renaissance, undergoing Industrial Revolutions with greatness in the human resource and technology development as the essential driving force of a breakthrough and improved productivity in the world economy (Nguyen Hoang Tien, 2018) [2]. In the current situation, when Vietnam has become a member of the largest trade organization in the world, the WTO, Vietnam needs to develop, diversify and improve the effectiveness of expanded economic relations, building and strengthening the multilateral relations with the world (Nguyen Hoang Tien, 2018) [2]. It can be said that we are facing numerous opportunities to develop the national economy, to make Vietnam an industrialized country. However, to achieve these goals, we must rely on many factors. Only using our internal strength is not enough, we must know how to make the most of external force. Countries are now more or less dependent on each other by production inputs and uneven levels of science and technology. It is therefore necessary to work together to share resources and empower the parties to build a long-term and sustainable relationship. (Nguyen Hoang Tien, 2018) [2]

International capitals often flow into emerging markets. In order to receive these capital flows in the context of economic development and national renewal, receiving countries need to have a stable, flexible and more cautious political background in receiving investment (Nguyen Hoang Tien, 2018) [2]. Among the most successful localities in the policy of attracting foreign investment, we cannot help but mention Binh Duong province. Binh Duong is one of the southern key economic development quadrangles along with Ho Chi Minh City, Vung Tau and Dong Nai. Therefore, Binh Duong plays a very important role in the economic development plan of the South in particular and the whole country in general. Therefore, in order to create favorable conditions for the development of the economy, the issue of attracting foreign investment (FDI) in general, ODA capital in particular needs to be paid special attention.

Vietnam needs political stability to develop all aspects, both economically and socially, to become an investment destination reliable for major economic powers and multinational businesses around the world. In addition, Vietnam needs an openness and integration to freely learn and improve the socio-economic level, science and technology to participate and benefit from global value chains. Besides, Vietnam is also forced to limit negative aspects to develop, succeed and reach further. With preferential policies, the "attracting capital" plans

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that are right, clear and highly feasible, Binh Duong has created investors' confidence. Through this, the province has attracted a considerable amount of capital from foreign investors to facilitate socio-economic development. However, Binh Duong's ability to attract ODA capital is not commensurate with its potential due to many different reasons.

## Theoretical framework

### Some related concepts

#### a) Forms of ODA (Official development assistance)

ODA is established by developed countries for the benefit of countries with non-commercial goals, such as development cooperation between one country and another; the government of a country with the foreign government; non-governmental or inter-sectoral organizations (Nguyen Hoang Tien, 2018) <sup>[2]</sup>. Forms of official development assistance (ODA) are (Nguyen Hoang Tien, 2018) <sup>[2]</sup>:

- Non-refundable ODA: donation, funding, support.
- Preferential ODA loans - of which at least 25% are non-refundable.
- Mixed ODA - at least 25% of items are non-refundable and the rest are concessional loans.
- Forms of ODA funded deficit:
- Support the balance of payment and budget when in deficit.
- Program support: duration (eg 3 years); time (e.g. from 2018); areas (for example, mountainous provinces, remote areas) and specific activities (for example, poverty reduction)
- Project support: infrastructure (bridges and roads); consultancy (solution); training (senior personnel); humanitarian (relief, rescue flood in Central Vietnam)
- However, in order to receive ODA funds, the Vietnamese side needs to develop human resources and a certain amount of reciprocal capital to implement ODA projects. (Nguyen Hoang Tien, 2018) <sup>[2]</sup>

#### Advantages of ODA

- Low interest rate (less than 2%, average from 0.25% per year).
- Lending period as well as long grace period (25-40 years to be repaid and grace period of 8-10 years).
- In the ODA source, there is always a part of non-refundable aid, at least 25% of the total ODA.

#### Disadvantages of ODA

- Economically, the recipient country of ODA must accept some of the conditions provided by the ODA provider country according to the disbursement process such as: tariff barriers to protect domestic industries and the import-export tax table Exports of donor's goods. ODA receiving countries are also required to gradually open protection markets for new lists of donor's goods; require incentives for foreign direct investors, such as allowing them to invest in limited, highly profitable areas.
- ODA from rich countries to poor countries is often associated with the purchase of products from these countries, which are not entirely appropriate or even unnecessary for poor countries. For example, ODA projects in the field of training, project planning and technical consultancy, the payment to foreign experts often accounts for more than 90% (ODA-funded parties

often require payment of experts' fees, their project advisor is too high compared to the actual cost of hiring such experts on the world labor market).

- ODA aid is also tied to special trade terms that allow the maximum import of their products. In particular, the ODA issuing country forces the recipient country to accept an ODA that is goods or services produced by them.
- ODA-receiving countries have full authority to manage and use ODA, but normally, the list of ODA projects must also be subject to the agreement and agreement of the donor countries. Although they do not directly manage the projects, they can indirectly participate in the form of contractors or expert assistance.
- The impact of exchange rate factors may cause the increase in the value of ODA capital.
- In addition, the situation of loss and waste; formulating strategies and plans to attract and use ODA capital in unreasonable fields; Low management level, lack of experience in the process of receiving, handling, operating projects makes the efficiency and quality of investment projects with this capital remain low (Ngoc Be, 2018) <sup>[10]</sup>

## 2. Introduction to Binh Duong province

### Geographical location and natural conditions

Binh Duong is a province in the Southeast region separated from Song Be province from January 1, 1997, bordering Binh Phuoc to the north, Ho Chi Minh City to the south and southwest, Ho Chi Minh City to the west, bordering with western provinces Tay Ninh, the east of Dong Nai province. The provincial capital of Binh Duong is Thu Dau Mot town, 30 km from the center of Ho Chi Minh City, on the arterial roads of the country that have been invested, upgraded and expanded like Quoc. Highway 1, 13, 14, North-South Railway and Trans-Asia route. With a natural area of 2,681,01km<sup>2</sup> (accounting for 0.83% of the country's area and ranked 42/61 in terms of natural area), flat land, stable and stable geological base, and a large land fund, having resources, Binh Duong has many strengths in agricultural products, minerals and construction materials for industrial production and export. (According to Decision No. 81/2007 / QD-TTg of the Prime Minister)

The land of Binh Duong - Thu Dau Mot was born at the same time with the history of forming Saigon - Dong Nai, from Nguyen Huu Canh's childhood "brought the sword to open the land". Socio-economic development master plan of Binh Duong province up to 2020 is aiming to build and transform Binh Duong into a province with fast and comprehensive economic development speed, ensuring the relationship between economic growth and settlement, good social issues, poverty reduction, constantly improving the physical and spiritual life of the people. Binh Duong is focusing on exploiting the advantages of geographical position, cooperation of provinces in the southern key economic region and the development nuclear pole of Ho Chi Minh City for socio-economic development. Proactive international integration; improve economic efficiency associated with social development on the basis of key investments; building a synchronous infrastructure network; industrial development associated with urban development and services; socio-economic development in close association with environmental protection, ensuring strong national defense and security in the area. (According to Decision No. 81/2007 / QD-TTg of the Prime Minister)

## The economy

Starting in the 90s, with the motto: "Spread flowers to invite investors" and open measures to promote the potential strengths of the province, Binh Duong moment becomes a local, the most dynamic development in the country's key economic quadrilateral. To achieve these positive results, the province's "red carpet" policy continues to be effective. From the perspective of ODA investors, Binh Duong has all the elements of "heavenly weather, favorable terrain and harmonization" plus well-invested industrial infrastructure. So it is still an ideal destination for investment. Binh Duong is one of the dynamic localities in the economy, attracting foreign investment. In 2008, although the global economic situation had many fluctuations in an unfavorable direction, the economic success of the province must mention the field of attracting foreign investment capital (ODA). This is a proud result and proves that Binh Duong is still a good land to attract ODA enterprises. An outstanding feature of Binh Duong's ODA attraction in 2008 is the increasing trend in the field of producing products with high technology content, less labor-intensive and products produced with competitive ability. good. This has created a balance in attracting investment and in line with the planning orientation and sustainable industrial development of Binh Duong. The Eighth Congress of Binh Duong Provincial Party Committee in 2006 set the targets of the province's economic development period 2006-2010 as follows:

- The average annual economic growth (GDP) is 15%.
- GDP scale (current price) by 2010 will reach about 2.9 billion USD.
- The province's economic structure is as follows: industry: 65.5%; service: 30%; agriculture: 4.5%. Total investment capital of the whole society increases on average 14-15% / year
- According to the goal of striving to 2020, in order for our country to basically become an industrialized country towards modernization, agriculture will decrease to 15-16%, industry and construction will be 43-44%, and services will be 40-41 %. With the growth rate of industrial production value at the current high level of 35% / year (2001-2005), Binh Duong will be one of the provinces that become industrial provinces towards modernization. To achieve these development goals, in addition to internal strength and the rise of ourselves, Binh Duong desires and invites the contributions of friends from near and far, domestic and foreign investors, and of all. Those who recognize Binh Duong are "good land for birds to rest on".

## Research results

### 1. Current issues of ODA attraction

#### a) Situation of ODA capital into Vietnam

For many years, ODA inflows into Vietnam have been plentiful and have contributed positively to socio-economic development. Many completed programs, works and projects have been put into operation to serve the people's life, contributing to economic development. According to information from the Ministry of Planning and Investment, in the period of 2016 - 2020, the total ODA capital that can be negotiated and signed is about USD 20 - 25 billion and disbursement is about USD 25 - 30 billion (including 22 billion USD has been negotiated and signed in previous periods, before it was disbursed). However, the efficiency of using this capital is still worth paying attention" (Phuc Khanh, 2018) <sup>[8]</sup>.

### b) The process of ODA disbursement in Vietnam

In recent years, although Vietnam has received huge aid, the actual situation of ODA disbursement has shown signs of decreasing. For example, according to data from the Ministry of Planning and Investment, ODA disbursement after two years from 2013 to 2014 reached a record, respectively over 5.1 billion USD and 5.65 billion USD, has decreased to 2.7 billion USD at the end of Q2 / 2016 and 2.1 billion USD at the end of Q2 / 2017. This is a proof that the disbursement speed of this capital is decreasing. While the country is about to enter the "middle-income" stage, from July 1, 2017, the World Bank will stop providing aid from IDA (the most preferential ODA source of the World Bank) for Vietnam and from January 1, 2019. The Asian Development Bank (ADB) does not officially support Vietnam with the most preferential ODA, ADF. Other bilateral donors such as Japan and South Korea are also gradually reducing incentives for Vietnam. As a result, Vietnam will have to borrow with shorter loan periods, higher interest rates and some types of fees, such as commitment fees, appear. Therefore, the slow disbursement greatly affects the costs. According to the information released by ADB, if the project is delayed, it will increase the cost by 17.6% per year, including 6.5% due to inflation for the main category and 11.1% of the cost due to benefits of the project is lost, on average, a 2-3 year delay will increase costs by 50%. The most recent is the Ben Thanh - Suoi Tien Metro project in Ho Chi Minh City, from a capital scale of VND 17 trillion has increased to 22 billion. There are many reasons to justify this waste, but the main reason is still the process of using capital. In fact, the process of using ODA has generated many inadequacies, many holes causing losses, wastefulness and corruption, affecting the quality of works, affecting Vietnam's reputation. This comes from many reasons such as: list preparation, legal, appraisal, approval, ineffective control, inadequate thinking and responsibility, affecting the resolution process. as well as the efficiency of each capital." (Phuc Khanh, 2018) <sup>[8]</sup>

## 2. The attraction of ODA capital in Binh Duong

### a) ODA sources in Binh Duong

Binh Duong had access and efficient use of loans from the Japan Overseas Economic Cooperation Fund (OECF), in 1997, to invest in a water supply pipeline project from Thu Dau Mot Water Plant to the Industrial Park. Vietnam - Singapore, so far Binh Duong has actively approached ODA loans from many Governments and foreign donors to invest in water supply and drainage, rural electrification, solid waste treatment. In Binh Duong, we have seen a turning point, the leap to 'divine'. In 1994, it accounted for 21% of the industrial production value of the Southern Key Economic Region. Following the period of 2006/2010, the economic growth rate of the province reached 14.0% / year, exceeding the set target by 10% / year. In which, Industry increased by 11% / year, Agriculture increased by 2.1% / year, Trade - Service increased by 24.2% / year and construction industry reached 17.4% / year. Precisely, because of this development, a part comes from the rational use of ODA to bring about an unexpected result, becoming a province with a strong development speed, and also a remarkable speed of infrastructure development, transportation, health care, services, schools, public buildings, public projects. With proper management and disbursement of ODA capital, making the best use of ODA capital will bring about unexpected result.

In particular, Binh Duong uses ODA capital in the field of environmental development. "According to the leader of the Department of Natural Resources and Environment, in the period of 2016-2020, the province will spend about more than 500 million USD for environmental protection, in which ODA capital will be about 330 million USD. Among the 14 environmental protection projects concretized by the province, these are notable projects such as the South Binh Duong Water Environment Improvement Project, the Project of Equipment procurement for incident response. To environment due to fire and explosion, Project of Binh Duong Medical Waste Treatment to 2020, vision to 2025 (Xuan Vi, 2018) This project has increased the capacity of wastewater treatment, increasing the capacity to 17,650m<sup>3</sup> / day. At the same time, the project of collecting domestic wastewater of more than 13,000 households in Thu Dau Mot City, the South Binh Duong Water Improvement Project is also being implemented in Thuan An Town, the second smallest project in terms of treatment. Waste water treatment in Nam Binh Duong urban cluster, capacity 54,000m<sup>3</sup> / day, with an investment of 100 million USD (of which ODA accounts for 85%, counterpart fund - 15%) is being urgently implemented.

Mr. Mutsuya Mori, Chief Representative of Japan International Cooperation Agency (JICA) in Vietnam, said that Binh Duong is the locality that uses Japanese ODA loans for the right purpose and most effectively in Vietnam. He was pleased that the implementation of the projects reached the committed schedule and soon put the environmental improvement works into use for people's lives (Xuan Vi, 2018). In order to effectively access ODA capital of each donor, before submitting the project proposal, the province has actively sought and invited the donor to approach and exchange information about the project. Based on the content of the working exchange, the province will formulate the project outline and content close to the requirements of the donor. In addition, the province has directed sectors and levels to actively participate in training courses co-chaired by the Ministry of Planning and Investment and a group of five international banks that are funding Vietnam. Binh Duong has prioritized the balance of adequate reciprocal capital in the annual capital construction investment plan in order to support investors in time to receive funding projects as well as perform ground clearance in advance to create clean land fund for projects in the province.

#### **b) Be active in adapting to conditions**

The efficiency from the above-mentioned works has created initial conditions for the locality to expand the investment model in the locality, better serving the province's socio-economic planning and development requirements. Besides, through the process of implementing projects, departments, branches and localities in the province have applied more flexibly the provisions in capital construction investment. At the same time, the staff of the project management board has learned a lot of experience from management, bidding and international payment. However, as Vietnam is now moving into the development stage, credit institutions no longer provide preferential credit support, so it is increasingly difficult to mobilize ODA capital. Therefore, projects using ODA capital for Binh Duong are no longer preferential compared to the past (Phuong Le, 2017)

In addition, due to tightening of public investment, the

balance of central capital in the public investment plan for the projects funded by ODA is not meeting the progress of commitments with donors. In addition, although the investor sends quarterly reports to the competent authorities, during the implementation process, it has not proactively proposed for the difficulties that will be encountered, so it is passive in advising to the authorities when a situation needs to be solved. Projects using ODA loans and concessional loans from foreign countries have been implemented in the province today. Most of the difficulties are in drainage and wastewater treatment projects. Specifically, the compensation and land acquisition of these projects are still slow because the compensation price issued by the government is lower than the market price so it is difficult to negotiate with the people receiving compensation money. Meanwhile, the construction of the water supply network and the collection of sewage on roads could affect underground works such as lighting, telephone, cable television. For some vertical construction pipelines Sai Gon river route is weak and easy to erode, so it takes a lot of time and expense for reinforcement work to ensure project safety and labor safety.

#### **3. Solutions to improve ODA capital sources**

In order to further contribute to the attraction and use of ODA in Vietnam, we need to have some solutions in attracting and using ODA capital as follows:

- Firstly, there must be a proper concept of ODA capital. This is not a free capital. Although there is a non-refundable rate (about 20%), most of it is borrowed (over 80%). Therefore, if the loan is used inefficiently, the national debt burden will become more and more serious, putting the country under the pressure of bruising. Therefore, we need to change the perception of this capital and thereby plan to carefully and scientifically prepare the project and appraise it to contribute to improving the efficiency of using this capital. At the same time, it is necessary to set up a detailed repayment plan, in particular, not putting pressure on the State budget
- Secondly, the interest rate of ODA loans is often low but tends to increase. Moreover, this is the interest rate on foreign currency loans, so it must be calculated in addition to the interest rate of the VND depreciation according to the formula: interest rate of foreign currency loan = foreign currency interest rate + the discount of the domestic currency. With the calculation as above, the interest rate will not be too low as we thought. Therefore, when negotiating loans, we need to take into account the depreciation factor of the VND to negotiate interest rates accordingly. It is necessary to strengthen the capacity and strongly improve the implementation of the ODA projects, to use more concentrated to invest in building large-scale socio-economic infrastructure and create spillover effects on the overall development. of the whole country.
- Thirdly, along with attracting ODA is the issue of domestic reciprocal capital. It is necessary to overcome the idea of dependence, rely on the State budget capital, on the Central capital. Currently, some localities and units consider this to be the allocated capital source of the State budget, so they can ask for as much as possible, regardless of the effective use. Therefore, it is necessary to diversify reciprocal capital and specify the

responsibilities of agencies and units receiving ODA capital to contribute to raising the responsibility in the efficient use of ODA capital.

- Fourthly, to finalize legal documents, innovate in ODA project management procedures and procedures on the basis of combining reference with donor standards.
- Fifthly, appropriate policies and institutions are needed to create an environment for new aid models. In particular, encourage the participation of private and non-governmental organizations. In addition, it is necessary to work closely with donors to access the new aid model, in order to improve the efficiency of use, reduce procedures and contribute to improving management systems according to international standards.
- Sixthly, it is necessary to identify investment priorities when using ODA capital and improve project monitoring, monitoring and evaluation; at the same time, improve the capacity and awareness of the team involved in the management and use of ODA. The nature of ODA is still a loan and is obliged to repay the debt, so the need to eliminate the idea of "asking" for ODA in a part of cadres at all levels has resulted in insufficient attention to the effective use of this capital.
- Seventhly, it is necessary to study plans and strategies to gradually reduce ODA, especially conditional ODA, and at the same time, enhance the attraction of other foreign investment capital such as FDI. In this way, Vietnam not only maintains an increase in total investment but also improves the efficiency of all sources of capital, including ODA.

#### 4. Conclusion and Recommendation

##### ➤ Kết luận

Bình Dương là một trong những tỉnh có chỉ số năng lực cạnh tranh đứng đầu Việt Nam. Nhờ vào những chính sách ưu đãi với các nhà đầu tư nước ngoài mà Bình Dương cũng trở thành một trong những tỉnh thu hút được nhiều vốn đầu tư nước ngoài nhất. Sau khi gia nhập WTO, môi trường đầu tư Việt Nam được mở rộng hơn, hứa hẹn là điểm đến của các nhà đầu tư trong tương lai. Theo thống kê đến nay, Bình Dương đã có hơn 39 quốc gia và vùng lãnh thổ đầu tư vào tỉnh, trong đó xuất hiện ngày càng nhiều các tập đoàn, công ty xuyên quốc gia có năng lực về tài chính và công nghệ. Nhật Bản dẫn đầu với tổng vốn đầu tư đăng ký là 4,87 tỷ đô la Mỹ, chiếm 22,7% tổng vốn đầu tư. Điều này chứng tỏ môi trường đầu tư năng động và thuận lợi của tỉnh luôn là điểm đến hấp dẫn đối với các doanh nghiệp Nhật Bản nói riêng và các nhà đầu tư nước ngoài nói chung khi chọn lựa địa điểm để đầu tư. Bên cạnh đó, vẫn còn có nhiều mặt chưa được tháo gỡ trong vấn đề thu hút vốn đầu tư ODA ở Bình Dương. Chính vì vậy, việc nghiên cứu nhằm tìm ra lời giải cho bài toán trên vẫn cần được tiếp tục một cách chi tiết và cụ thể hơn.

##### ➤ Kiến nghị

- ❖ Những kiến nghị của nhóm đối với tỉnh Bình Dương:
  - + Về nguồn nhân lực:
    - Nâng cao trình độ văn hóa cũng như tay nghề của đội ngũ công nhân hiện nay bằng các lớp học bổ túc, những khóa học ngắn hạn.
    - Thu hút nguồn nhân lực cấp cao dành cho các vị trí quản lý, định hướng chính sách từ mọi nơi. Điều này có thể thực hiện được bằng chính sách về lương bổng, lợi ích và vị trí thăng tiến.

- Xây dựng những trường đào tạo dạy nghề, trung cấp, đại học – cao đẳng nhằm đào tạo sẵn sàng cung ứng lao động kỹ thuật cho nhà đầu tư, đào tạo theo yêu cầu của nhà đầu tư.

- + Đa dạng hóa các kênh thu hút vốn đầu tư:
  - Chuẩn bị đầy đủ, kịp thời nguồn vốn đối ứng cho các chương trình và dự án ODA để các dự án này đạt tỷ lệ giải ngân cao và nhanh nhất.
  - Tăng cường năng lực và cải tiến mạnh mẽ trong thực hiện dự án ODA, sử dụng tập trung hơn để đầu tư xây dựng hạ tầng kinh tế - xã hội quy mô lớn và tạo ra tác động lan tỏa đối với sự phát triển chung của cả nước.
  - Hoàn thiện các văn bản pháp lý, đổi mới trong quy trình và thủ tục quản lý dự án ODA trên cơ sở kết hợp tham khảo những quy chuẩn của các nhà tài trợ, nhất là đối với các thủ tục: Đấu thầu mua sắm; đền bù, di dân và tái định cư; quản lý tài chính của các chương trình, dự án...
  - Cần có những chính sách và thể chế phù hợp để tạo môi trường cho các mô hình viện trợ mới. Trong đó, khuyến khích sự tham gia của tư nhân và các tổ chức phi chính phủ. Ngoài ra, cần hợp tác chặt chẽ với các nhà tài trợ tiếp cận mô hình viện trợ mới, để nâng cao hiệu quả sử dụng, giảm bớt các thủ tục và góp phần cải thiện các hệ thống quản lý theo chuẩn mực quốc tế.
  - Cần xác định các ưu tiên đầu tư khi sử dụng vốn ODA và nâng cao công tác giám sát, theo dõi và đánh giá dự án; đồng thời, nâng cao năng lực và nhận thức cho đội ngũ tham gia quản lý, sử dụng nguồn vốn ODA. Bản chất ODA vẫn là khoản vay và có nghĩa vụ phải trả nợ, cho nên cần loại bỏ tư tưởng "xin" ODA trong một bộ phận cán bộ ở các cấp, đã dẫn đến chưa quan tâm đầy đủ đến việc sử dụng hiệu quả nguồn vốn này.
  - Nghiên cứu kế hoạch và chiến lược giảm dần nguồn vốn ODA, đặc biệt là vốn ODA có điều kiện. Đồng thời, tăng cường thu hút các nguồn vốn đầu tư nước ngoài khác như FDI. Với cách làm này, sẽ cải thiện được hiệu quả của tất cả các nguồn vốn, bao gồm cả vốn ODA.
- + Đẩy mạnh công tác Marketing, kêu gọi nhà đầu tư:
  - Tranh thủ sự ủng hộ vốn có của các hiệp hội, nghiệp Đoàn các doanh nghiệp Hàn Quốc, Nhật Bản, Đài Loan... về sức hút của tỉnh Bình Dương.
  - Phát huy tốt hơn nữa vai trò của ban quản lý các KCN của Bình Dương. Không chỉ dừng lại ở công tác quản lý trước đây. Ban quản lý cần triển khai sâu rộng hơn nữa việc quảng bá hình ảnh, làm nổi bật lợi thế so sánh của các KCN của tỉnh mình so với tỉnh khác.
  - Xây dựng website chuyên dùng để giới thiệu về các KCN của tỉnh Bình Dương, với đầy đủ thông tin mà nhà đầu tư cần thiết và có thể so sánh với các KCN của các tỉnh khác.

#### Conclusion

Binh Duong is one of the provinces with the leading competitiveness index in Vietnam. Thanks to preferential policies for foreign investors, Binh Duong has also become one of the provinces attracting the most foreign investment. After joining the WTO, Vietnam's investment environment was expanded, promising to be a destination for investors in the future. According to statistics so far, Binh Duong has invested more than 39 countries and territories in the province, including more and more transnational corporations and companies with financial and technological capacity. Japan leads the way with a total registered capital of 4.87 billion USD, accounting for 22.7% of total investment capital. This proves that the dynamic and favorable investment environment of the province is always

an attractive destination for Japanese enterprises in particular and foreign investors in general when choosing a location to invest. Besides, there are still many aspects that have not been removed in the issue of attracting ODA investment capital in Binh Duong. Therefore, the research to find out the solution to the above problem still needs to be continued in more detail and more detail.

### **Recommendation**

#### **Regarding human resources**

- Improve the educational level as well as the skills of the current workers with supplementary classes, short-term courses.
- Attract senior human resources for managerial positions, policy directions from everywhere. This can be done with payroll, benefits and promotion policies.
- To build vocational, intermediate, tertiary and vocational training schools in order to provide training to investors in order to provide technical labor to investors and train at the request of investors.

#### **Diversifying channels to attract investment capital**

- Preparing adequate and timely sources of reciprocal capital for ODA programs and projects so that these projects achieve the highest and fastest disbursement rate.
- Capacity building and strong improvement in ODA project implementation, more concentrated use to invest in building large-scale socio-economic infrastructure and creating spillover effects on common development of the whole country.
- Completing legal documents, innovating in ODA project management process and procedures on the basis of combining reference with donor standards, especially for procedures: Procurement; compensation, migration and resettlement; financial management of programs, projects.
- Appropriate policies and institutions are needed to create an environment for new aid models. In particular, encourage the participation of private and non-governmental organizations. In addition, it is necessary to work closely with donors to access the new aid model, in order to improve the efficiency of use, reduce procedures and contribute to improving management systems according to international standards.
- It is necessary to identify investment priorities when using ODA capital and improve project supervision, monitoring and evaluation; at the same time, improve the capacity and awareness of the team involved in the management and use of ODA. The nature of ODA is still a loan and is obliged to repay the debt, so the need to eliminate the idea of "asking" for ODA in a part of cadres at all levels has resulted in insufficient attention to the effective use of this capital.
- Studying plans and strategies to gradually reduce ODA capital sources, especially conditional ODA capital. At the same time, increase the attraction of other foreign investment sources such as FDI. In this way, the efficiency of all capital sources, including ODA, will be improved.

### **Promote marketing, call for investors**

- Take advantage of the inherent support of associations, unions of Korean, Japanese, Taiwanese enterprises about the attraction of Binh Duong province.
- Promoting better the role of the management board of industrial zones in Binh Duong. Not just stop at the previous management. The management board needs to further develop the image promotion, highlighting the comparative advantage of the industrial zones of its province compared to other provinces.
- Building a specialized website to introduce Binh Duong's Industrial Zones, with full information that investors needed and can be compared with the industrial zones of other provinces.

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