THE NATIONAL ASSEMBLY

THE SOCIALIST REPUBLIC OF VIETNAM Independence - Freedom - Happiness

No. 49/2014/QH13

LAW

On Public Investment(*)

Pursuant to the Constitution of the Socialist Republic of Vietnam; The National Assembly promulgates the Law on Public Investment.

Chapter I

GENERAL PROVISIONS

Article 1. Scope of regulation

This Law prescribes the management and use of public investment funds; state management of public investment; rights, obligations and responsibilities of agencies, units, organizations and individuals related to public investment activities.

Article 2. Subjects of application

This Law applies to agencies, organizations and individuals engaged or involved in public investment activities and management and use of public investment funds.

Article 3. Application of the Law on Public Investment, treaties and international agreements

- 1. The management and use of public investment funds and public investment activities must comply with this Law and other relevant laws.
- 2. In case a treaty to which the Socialist Republic of Vietnam is a contracting member contains provisions different from those of this Law, the provisions of that treaty prevail.
- 3. The implementation of public investment programs and projects in foreign countries must comply with the provisions of treaties to which the Socialist Republic of Vietnam is a contracting member and international agreements between Vietnamese and foreign parties.

Article 4. Interpretation of terms

In this Law, the terms below shall be construed as follows:

- 1. Investment policy proposal report means a document presenting preliminary research contents on the necessity, feasibility and effectiveness of a public investment program, group-B or group-C project as a basis for competent authorities to decide on investment policy.
- 2. Prefeasibility study report means a document presenting preliminary research contents on the necessity, feasibility and effectiveness of an important national project or a group-A project as a basis for competent authorities to decide on investment policy.
- 3. Feasibility study report means a document presenting research contents on the necessity, feasibility and effectiveness of a public investment program or project as a basis for competent authorities to decide on investment.

^(*) Công Báo Nes 687-688 (17/7/2014)

- 4. Ministries, sectors and localities means agencies assigned by the Prime Minister public investment plans, including:
- a/ Central bodies of the political organizations, the Supreme People's Procuracy, the Supreme People's Court, the State Audit Office, the Office of the President, the Office of the National Assembly, ministries, ministerial-level agencies and government-attached agencies (below referred to as ministries and central agencies);
- b/ People's Committees of provinces and centrally run cities (below referred to as provincial-level People's Committees);
 - c/ Central bodies of the Vietnam Fatherland Front and socio-political organizations;
 - d/ Other agencies or organizations that are assigned public investment plans.
- 5. Program owner means an agency or organization assigned to manage a public investment program.
 - 6. Project owner means an agency or organization to manage a public investment project.
- 7. Public investment program means a combination of objectives, tasks and solutions to achieve socio-economic development objectives.
- 8. Target program means a public investment program aiming to achieve one or several objectives in each sector or a number of territorial regions in a specific period.
- 9. National target program means a public investment program aiming to achieve socio-economic objectives throughout the country in a specific period.
- 10. Managing agency means a ministry, sector or locality prescribed in Clause 4 of this Article or an agency of the political organization or the National Assembly that manages a program or project.
- 11. Specialized public investment management agency means a unit with the function of managing public investment under the Ministry of Planning and Investment; a unit assigned to manage public investment under a ministry, a central agency, the Vietnam Fatherland Front, a socio-political organization or another agency or organization that is assigned a public investment plan; a provincial-level Department of Planning and Investment; or a division or section with the function of managing public investment of a district- or commune-level People's Committee.
- 12. State management agencies in charge of public investment include the Government, the Ministry of Planning and Investment and People's Committees at all levels.
- 13. Public investment project means an investment project entirely or partially financed by public investment funds.
- 14. Emergency project means an investment project decided by competent authorities aiming to timely overcome the consequences of a natural disaster or another *force majeure* event.
- 15. Public investment means the State's investment in programs and projects to construct socio-economic infrastructure facilities and in programs and projects to serve socio-economic development.
- 16. Investment in the form of public-private partnership means the investment made on the basis of a contract between a competent state agency and an investor or project enterprise in order to implement, manage and operate an infrastructure project or provide public services.
- 17. Public investment activities include the formulation and appraisal of and decision on investment policy; formulation and appraisal of and decision on public investment programs and projects; formulation, appraisal, approval, assignment and implementation of public

investment plans; management and use of public investment funds; monitoring and evaluation, examination and inspection of public investment plans, programs and projects.

- 18. Public investment plan means a combination of objectives, orientations and list of public investment programs and projects; balance of public investment funding sources; fund allocation plan; and resource mobilization and implementation solutions.
- 19. Outstanding debts in capital construction means the value of a tested and accepted work volume of a project under a public investment plan approved by competent authorities for which no funds have been allocated yet.
- 20. Decentralization of public investment state management means the determination of powers and responsibilities of competent agencies, organizations and persons in public investment activities.
- 21. Public investment funds prescribed in this Law include funds from the state budget, funds from national and government bonds and municipal bonds, official development assistance (ODA) loans, concessional loans of foreign donors, state development investment credit, retained revenues for investment not yet included in the state budget balance and other loans borrowed by local budgets for investment purposes.

Article 5. Public investment sectors

- 1. Investment in socio-economic infrastructure programs and projects.
- 2. Investment to serve activities of state agencies, non-business units, political organizations and socio-political organizations.
 - 3. Investment in and support of the provision of public-utility products and services.
 - 4. State investment in projects to be implemented in the form of public-private partnership.

Article 6. Classification of public investment projects

- 1. Depending on their characteristics, public investment projects shall be classified as follows:
- a/Projects with construction components are investment projects on new construction or renovation, upgrading and expansion of existing invested and constructed projects, including also the procurement of assets and equipment for the projects;
- b/ Projects without construction components are projects on asset procurement, acquisition of land use rights, purchase, repair and upgrading of equipment and machinery; and other projects not prescribed at Point a of this Clause.
- 2. Depending on their importance and size, public investment projects shall be classified into national important projects; group-A, group-B and group-C projects according to the criteria prescribed in Articles 7, 8, 9 and 10 of this Law.

Article 7. Classification criteria for national important projects

A national important project is an independent investment project or a cluster of closely linked works which meets one of the following criteria:

- 1. Being financed by public investment funds of VND 10 trillion or more;
- 2. Exerting great environmental impacts or having the latent possibility of exerting serious environmental impacts, including:

a/ Nuclear power plants;

b/Using land requiring the change of the use purpose of land of a national park; a nature reserve; a protected landscape area; a scientific research and experiment forest of 50 hectares

or more; a watershed protection forest of 50 hectares or more; a protection forest for shielding wind, sand, tide, sea encroachment or protecting the environment of 500 hectares or more; a production forest of 1,000 hectares or more;

- 3. Using land requiring the change of the use purpose of land under wet rice cultivation with two or more crops of 500 hectares or more;
- 4. Relocating and resettling 20,000 residents or more in mountainous regions or 50,000 residents or more in other regions;
- 5. Projects that require the application of special mechanisms and policies subject to decision by the National Assembly.

Article 8. Classification criteria for group-A projects

Except national important projects prescribed in Article 7 of this Law, projects that meet one of following criteria shall be classified as group-A projects:

- 1. Regardless of their total investment, such projects fall into one of the following cases:
- a/ Projects located in areas with special national relics;
- b/ Projects located in areas of extreme importance to national defense or security according to the law on national defense or security;
 - c/ National defense or security projects involving state secrets;
 - d/ Hazardous substance or explosive-manufacturing projects;
 - dd/ Industrial park or export processing zone infrastructure projects;
 - 2. Projects with a total investment of VND 2,300 billion or more each in the following sectors:
 - a/Transport, including bridges, seaports, river ports, airports, railways and national highways;
 - b/ Power industry;
 - c/ Oil and gas exploitation;
 - d/ Chemical, fertilizer and cement;
 - dd/ Mechanical engineering and metallurgy;
 - e/ Mineral exploitation and processing;
 - g/ Housing construction;
 - 3. Projects with a total investment of VND 1,500 billion or more each in the following sectors:
 - a/ Transport, excluding those specified at Point a, Clause 2 of this Article;
 - b/Irrigation;
 - c/ Water supply and drainage and technical infrastructure facilities;
 - d/ Electrical engineering;
 - dd/ Communication and electronic device manufacturing;
 - e/ Pharmaceutical chemistry;
 - g/ Material production, excluding those specified at Point d, Clause 2 of this Article;
- h/ Mechanical construction facilities, excluding those specified at Point dd, Clause 2 of this Article;
 - i/ Post and telecommunications;
 - 4. Projects with a total investment of VND 1,000 billion or more each in the following sectors:
 - a/ Agriculture, forestry and aquaculture;

- b/ National parks and nature reserves;
- c/ Technical infrastructure for new urban centers;
- d/Industries, excluding industrial projects specified in Clauses 1, 2 and 3 of this Article;
- 5. Projects with a total investment of VND 800 billion or more each in the following sectors:
- a/ Health, culture and education;
- b/ Scientific research, informatics, radio and television broadcasting;
- c/ Storehousing;
- d/ Tourism, physical training and sports;
- dd/ Civil construction, excluding housing construction specified at Point g, Clause 2 of this Article.

Article 9. Classification criteria for group-B projects

- 1. Projects in the sectors specified in Clause 2, Article 8 of this Law, with a total investment from VND 120 billion to under VND 2,300 billion each.
- 2. Projects in the sectors specified in Clause 3, Article 8 of this Law, with a total investment from VND 80 billion to under VND 1,500 billion each.
- 3. Projects in the sectors specified in Clause 4, Article 8 of this Law, with a total investment from VND 60 billion to under VND 1,000 billion each.
- 4. Projects in the sectors specified in Clause 5, Article 8 of this Law, with a total investment from VND 45 billion to under VND 800 billion each.

Article 10. Classification criteria for group-C projects

- 1. Projects in the sectors specified in Clause 2, Article 8 of this Law, with a total investment of under VND 120 billion each.
- 2. Projects in the sectors specified in Clause 3, Article 8 of this Law, with a total investment of under VND 80 billion each.
- 3. Projects in the sectors specified in Clause 4, Article 8 of this Law, with a total investment of under VND 60 billion.
- 4. Projects in the sectors specified in Clause 5, Article 8 of this Law, with a total investment of under VND 45 billion each.

Article 11. Adjustment of classification criteria for public investment projects

- 1. The National Assembly shall decide on adjustment of classification criteria for national important projects prescribed in Article 7 of this Law.
- 2. The Government shall submit to the National Assembly Standing Committee for decision the adjustment of classification criteria for public investment projects prescribed in Articles 8, 9 and 10 of this Law and reporting to the National Assembly at the next session.
- 3. Adjustment of classification criteria for public investment projects prescribed in Clauses 1 and 2 of this Article shall be made in case price indices see big fluctuations or the decentralization of public investment management is adjusted in relation to classification criteria for public investment projects or other important elements affecting classification criteria for public investment projects appear.

Article 12. Principles of public investment management

1. Compliance with the law on the management and use of public investment funds.

- 2. Conformity with the national socio-economic development strategy and five-year socio-economic development plans, and socio-economic development and sectoral development master plans.
- 3. Proper performance of responsibilities and powers of state management agencies, organizations and persons involved in the management and use of public investment funds.
- 4. Management of the use of public investment funds according to regulations applicable to each funding source; assurance of concentrated, synchronous, quality, efficient, effective investment and resource balancing capability; avoidance of losses and waste.
 - 5. Assurance of publicity and transparency in public investment activities.
- 6. Encouragement of organizations and individuals to make direct investment or investment in the form of public-private partnership for socio-economic infrastructure and public-service provision projects.

Article 13. Contents of state management of public investment

- 2. Formulating, and organizing implementation of, strategies, programs, plans, master plans, solutions and policies on public investment.
- 3. Monitoring and providing information about the management and use of public investment funds.
- 4. Evaluating the effectiveness of public investment; examining and inspecting the compliance with the law on public investment and public investment master plans and plans.
- 5. Handling violations, settling complaints about and denunciations on public investment activities.
- 6. Commending and rewarding agencies, organizations, units and individuals that record achievements in public investment activities.
 - 7. Implementing international cooperation on public investment.

Article 14. Publicity and transparency in public investment

- 1. Contents to be made public and transparent in public investment include:
- a/Policies and laws and the organization of implementation of policies and laws on the management and use of public investment funds;
 - b/ Principles, criteria and limits of allocation of public investment funds;
- c/ Principles, criteria and bases for the determination of the list of projects in medium-term and annual public investment plans;
- d/Local public investment master plans, plans and programs; annual funds allocated for each public investment program and progress of implementation and disbursement of funds for these programs;
- dd/ List of projects in localities, including size, total investment, schedule and site; evaluation reports on the projects' overall impacts on localities where investment is made;
- e/ Medium-term and annual plans for the allocation of funds for public investment activities, specifying funding sources, lists of projects and funding amounts allocated for each project;
- g/Situation of mobilization of resources and other funding sources for the implementation of public investment projects;
 - h/ Situation and results of implementation of plans, programs and projects;
 - i/Progress of implementation and disbursement of funds for projects by funding source;

k/ Results of pre-acceptance test and evaluation of programs and projects.

2. Heads of agencies, organizations and units shall publicize the contents of public investment in accordance with law.

Article 15. Expenses for formulation, appraisal, monitoring, examination, evaluation and inspection of public investment plans, programs and projects

- 1. Expenses for the formulation and appraisal of investment policy proposal reports for national target programs or public investment programs shall be paid from non-business operation funds of agencies or units performing these tasks.
- 2. Expenses for the formulation and appraisal of prefeasibility study reports and investment policy proposal reports for projects shall be paid from investment preparation funds of projects.
- 3. Expenses for the formulation and appraisal of public investment plans shall be paid from non-business or recurrent operation funds of agencies or units formulating and appraising these plans.
- 4. Expenses for the monitoring, examination and evaluation of plans, programs and projects shall be paid from non-business or recurrent operation funds of agencies or units performing these tasks.
- 5. Expenses for inspection shall be paid from recurrent operation funds of inspection agencies or units.
- 6. For programs and projects financed by ODA loans or concessional loans of foreign donors, foreign donors are encouraged to provide financial assistance to pay the expenses prescribed in this Article.

Article 16. Prohibited acts in public investment

- 1. Deciding on investment policy not in conformity with strategy, master plan or plan; *ultra vires*; not according to the order and procedures prescribed by law; without getting investment funds balanced.
- 2. Deciding on investment in programs or projects before the investment policy is decided by competent authorities or not in conformity with the investment policy decided by competent authorities. Deciding to adjust total investments of programs or projects in contravention of the law on public investment.
- 3. Abusing positions and powers for appropriation, self-seeking or corruption purposes in the management and use of public investment funds.
- 4. Program or project owners entering into collusion with consultancy organizations to obtain decisions on investment policy on or investment in programs or projects which cause losses and waste of state funds and assets and national resources; harm and infringe upon the interests of citizens and community.
 - 5. Giving and accepting bribes or acting as bribe brokers;
- 6. Requesting organizations or individuals to invest their funds in programs or projects on which investment policy has not been decided yet or which have not been approved yet or which have not been included in funding plans, which cause outstanding debts in capital construction.
- 7. Using public investment funds for improper purposes, for improper subjects or in excess of standards and limits prescribed by law.
- 8. Forging and falsifying information, dossiers and documents related to the decision on investment policy, investment decision and implementation of programs or projects.

- 9. Deliberately reporting and providing inaccurate, untruthful and biased information affecting the formulation and appraisal of and decision on plans, programs or projects.
- 10. Deliberately reporting and providing inaccurate, untruthful and biased information affecting the monitoring, evaluation, examination and inspection and handling of violations during the implementation of plans, programs or projects.
- 11. Deliberately destroying, deceiving, concealing or failing to store sufficient materials, documents and records related to the decision on investment policy, investment decision and implementation of programs or projects.
 - 12. Obstructing the detection of violations of the law on public investment.

Chapter II

INVESTMENT POLICY AND DECISION ON PUBLIC INVESTMENT PROGRAMS AND PROJECTS

Section 1

FORMULATION AND APPRAISAL OF, AND DECISION ON, INVESTMENT POLICY

Article 17. Competence to decide on investment policy on programs and projects

- 1. The National Assembly has competence to decide on investment policy on programs and projects below:
 - a/ National target programs;
 - b/ National important projects.
- 2. The Government has the competence to decide on investment policy on target programs financed by the central budget, national and government bonds, ODA loans or concessional loans of foreign donors, state development investment credit, or retained revenues for investment not yet included in the state budget balance.
- 3. The Prime Minister has the competence to decide on investment policy on programs and projects below:
 - a/ Group-A projects;
- b/Projects financed by the central budget and managed by the central bodies of the Vietnam Fatherland Front and socio-political organizations and by other agencies and organizations;
 - c/ Emergency projects financed by the central budget;
- d/ Investment programs financed by ODA loans and concessional loans of foreign donors, excluding national target programs and target programs prescribed in Clauses 1 and 2 of this Article;
- dd/Projects financed by ODA loans and concessional loans of foreign donors as stipulated by the Government.
- 4. Ministers and heads of central agencies have the competence to decide on investment policy on projects below:
- a/ Group-B and group-C projects financed by the state budget, national and government bonds, state development investment credit, retained revenues for investment not yet included in the state budget balance under their management, excluding projects prescribed at Point c, Clause 3 of this Article;

b/ Projects financed by ODA loans or concessional loans of foreign donors under their management, excluding projects prescribed at Point dd, Clause 3 of this Article.

5. The People's Councils at all levels have the competence to decide on investment

policy on programs and projects below:

a/Investment programs wholly financed by balanced funds of local budgets, municipal bonds, retained revenues for investment not yet included in local budget balances under the deciding competence of the People's Councils at all levels, and other loans borrowed by local budgets for investment purposes;

b/Group-B projects and group-C key projects under their management, excluding projects prescribed at Point dd, Clause 3 of this Article. Criteria for group-C key projects in localities shall be decided by provincial-level People's Councils in conformity with local development objectives and orientations, financial capabilities and characteristics.

6. The People's Committee at all levels have the competence to decide on investment policy on projects under their management, excluding the projects prescribed in Clauses 1, 2, 3, 4 and 5 of this Article.

Article 18. Conditions for decision on investment policy on programs and projects

- 1. Conforming to socio-economic development strategy, master plan and plan approved by competent authorities.
- 2. Not overlapping other programs or projects on which investment policy has been decided or for which investment decisions have been made.
- 3. Conforming to the capability of balancing public investment sources and the capability of raising other funds, for programs or projects that require different funding sources.
- 4. Conforming to the capability of borrowing and paying public, government and municipal loans.
- 5. Ensuring socio-economic effectiveness, national defense and security and sustainable development.
- 6. Prioritizing investment in the form of public-private partnership for projects capable of investment recovery.
- Article 19. Order and procedures for decision on investment policy on national target programs and national important projects
 - 1. The agency that is assigned to prepare an investment program or project shall:
- a/Assign an attached unit to make an investment policy proposal report, for a national target program, or a prefeasibility study report, for a national important project;
- b/Assign a competent unit or form a council to appraise the investment policy proposal report or prefeasibility study report;
- c/Finalize the investment policy proposal report or prefeasibility study report and submit it to the Prime Minister.
- 2. The Prime Minister shall establish the State Appraisal Council chaired by the Minister of Planning and Investment to appraise the investment policy proposal report of a national target program or the prefeasibility study report of a national important project.
- 3. The Government shall submit the investment policy on the national target program or national important project to the National Assembly for consideration and decision.

- 4. The National Assembly's agencies shall verify the dossier of the national target program or national important project submitted by the Government.
- 5. The National Assembly shall consider and adopt a resolution on investment policy on the national target program or national important project. The resolution of the National Assembly must specify the objective, size, total investment, main technology, location, implementation time, schedule and mechanisms, solutions and policies.
- Article 20. Dossiers on decision on investment policy on national target programs and national important projects
 - 1. The Government's submission paper.
- 2. The investment policy proposal report for a national target program, or the prefeasibility study report for a national important project.
 - 3. Appraisal report of the State Appraisal Council.
 - 4. Other relevant documents.
- Article 21. Procedures and contents of verification of investment policy on national target programs and national important projects
 - 1. The verification procedures are prescribed as follows:
- a/ At least 60 days before the opening day of the National Assembly's session, the Government shall send a dossier on the decision on investment policy on a national target program or national important project to the National Assembly's agency in charge of verification;
- b/The agency in charge of verification may request the Government and related agencies, organizations and persons to report on issues in the contents of the national target program or national important project; and conduct field surveys on these issues;
- c/ Agencies, organizations and persons shall fully provide information and documents to serve the verification at the request of the agency in charge of verification.
 - Contents of verification include:
- a/ Satisfaction of the criteria for determining national target programs or national important projects;
 - b/ The necessity of investment in the program or project;
 - c/ Law compliance;
- d/ Conformity with the socio-economic development strategy, master plan and plan and sectoral development master plan;
- dd/ Basic information about the program or project, including objective, size, investment form, scope, location, land area to be used, implementation time and schedule, main technology selection plan, solution to environment protection, funding sources and capabilities of investment recovery and loan repayment.
- e/ Assurance of socio-economic effectiveness, national defense and security and sustainable development;
- g/Assessment of conformity with the master plan on use of land and natural resources, and population relocation, re-farming and resettlement for national important projects to be implemented in the country;
 - h/ Risk assessment of offshore investment projects of national importance.

Article 22. Order and procedures for decision on investment policy on programs under the Government's competence

- 1. The program owner shall:
- a/ Assign an attached unit to make an investment policy proposal report;
- b/Assign a competent unit or form a council to appraise the investment policy proposal report;
 - c/ Finalize the investment policy proposal report and submit it to the Prime Minister.
- 2. The Prime Minister shall establish an intersectoral council or assign the Ministry of Planning and Investment to assume the prime responsibility for, and coordinate with related agencies in, appraising the investment policy proposal report. If an intersectoral council is formed, the Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance and related agencies in, appraising the funding source and fund balancing capability.
- 3. The program owner shall finalize the investment policy proposal report according to the appraisal opinions mentioned in Clause 2 of this Article and submit it to the Government.
- 4. The Government shall consider and decide on investment policy on the program, including objective, scope, size, total investment, and implementation time, schedule, solutions and policies.
 - Article 23. Order and procedures for decision on investment policy on group-A projects
- 1. A minister, the head of a central agency or a central body of the Vietnam Fatherland Front or a socio-political organization or another agency or organization shall:
 - a/ Assign an attached unit to prepare the prefeasibility study report;
- b/ Assign a competent unit or form a council to appraise the prefeasibility study report, funding source and fund balancing capability;
- c/ Direct the unit mentioned at Point a of this Clause to finalize the prefeasibility study report for submission to the Prime Minister.
 - 2. The chairperson of a provincial-level People's Committee shall:
- a/ Assign a specialized agency or the district-level People's Committee to prepare the prefeasibility study report;
- b/ Form an appraisal council chaired by a vice chairperson of the provincial-level People's Committee, with the provincial-level Department of Planning and Investment acting as the standing body of the council and related provincial-level departments and sectors as members of the council in order to appraise the prefeasibility study report, funding source and fund balancing capability;
- c/Direct the agency mentioned at Point a of this Clause to finalize the prefeasibility study report according to the appraisal opinions prescribed at Point b of this Clause for reporting to the provincial-level People's Committee;
- d/ Before submitting the report to the Prime Minister, submit it to the provincial-level People's Council for opinion.
- 3. The Prime Minister shall decide to form an intersectoral council for the appraisal or assign an agency to take charge of the appraisal of the prefeasibility study report at the request of the Ministry of Planning and Investment.

4. The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance in, appraising the funding source and fund balancing capability for projects financed by:

a/The central budget, national and government bonds, ODA loans or concessional loans

of foreign donors;

b/Retained revenues for investment not yet included in the state budget balance, managed by ministries and central agencies;

c/Retained revenues for investment not yet included in the state budget balance, managed by other agencies and organizations according to the Government's regulations.

The appraisal opinions shall be sent by the Ministry of Planning and Investment to the intersectoral council for the appraisal or the agency in charge of the appraisal prescribed in Clause 3 of this Article.

- 5. The intersectoral council for appraisal or agency in charge of the appraisal prescribed in Clause 3 of this Article shall send the appraisal opinions to the concerned ministry, sector or locality for finalizing the prefeasibility study report for submission to the Prime Minister.
- 6. The Prime Minister shall issue the decision on investment policy covering the objective, scope, total investment, funding source structure, location, implementation time and schedule.
- Article 24. Order and procedures for decision on investment policy on programs and projects financed by ODA loans and concessional loans of foreign donors
- 1. On the basis of the national socio-economic development strategy and five-year socio-economic development plan, the Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance, related agencies and foreign donors in, determining cooperation orientations and sectors prioritized for ODA loans and concessional loans of foreign donors.
- 2. On the basis of cooperation orientations and sectors prioritized for ODA loans and concessional loans of foreign donors, funding demands and donors' financing conditions, the managing agencies shall send financing requests and program and project proposals to the Ministry of Planning and Investment.
- 3. On the basis of the cooperation orientations with foreign donors and sectors prioritized for ODA loans and concessional loans of foreign donors, the Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance, related agencies and foreign donors in, selecting appropriate program and project proposals, and notify the managing agencies to prepare prefeasibility study reports or investment policy proposal reports.
- 4. For national target programs and national important projects, the order and procedures for deciding on investment policy must comply with Articles 19, 20 and 21 of this Law.
- 5. For programs under the investment policy decision-making competence of the Government, the order and procedures for deciding on investment policy must comply with Article 22 of this Law.
- 6. For group-A projects, the order and procedures for deciding on investment policy must comply with Article 23 of this Law.
- 7. For other programs or projects under the investment policy decision-making competence of the Prime Minister prescribed at Points d and dd, Clause 3, Article 17 of this Law:

a/ The managing agencies shall send prefeasibility study reports or investment policy proposal reports to the Ministry of Planning and Investment;

b/ The Ministry of Planning and Investment shall assume the prime responsibility for appraising prefeasibility study reports or investment policy proposal reports, funding sources and fund balancing capability for submission to the Prime Minister;

c/ The Prime Minister shall consider and decide on investment policy.

8. For programs or projects falling outside the investment policy decision-making competence of agencies, organizations or persons prescribed in Clauses 1, 2 and 3, Article 17 of this Law:

a/ The managing agency shall seek opinions on investment policy from the Ministry of Planning and Investment, the Ministry of Finance and related agencies;

b/ The Ministry of Planning and Investment shall appraise funding sources and fund balancing capability;

c/ On the basis of opinions of related agencies and the Ministry of Planning and Investment's appraisal opinion on funding sources and fund balancing capability, the managing agency shall organize the appraisal and decide on investment policy.

Article 25. Order and procedures for decision on investment policy on group-B and group-C projects managed by the central bodies of the Vietnam Fatherland Front and sociopolitical organizations and other agencies and organizations

1. The head of the central body of the Vietnam Fatherland Front or a socio-political organization or another agency or organization shall:

a/ Assign an attached unit to prepare the investment policy proposal report;

b/Assign a competent unit or form a council to appraise the investment policy proposal report;

c/ Direct the unit mentioned at Point a of this Clause to finalize the investment policy proposal report for sending to the Ministry of Planning and Investment.

2. The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with related agencies in, appraising the investment policy proposal report, funding source and fund balancing capability.

3. The central body of the Vietnam Fatherland Front or a socio-political organization or another agency or organization shall finalize the investment policy proposal report according to the appraisal opinions prescribed in Clause 2 of this Article for submission to the Prime Minister.

4. The Prime Minister shall consider and decide on the investment policy covering the objective, scope, total investment, funding source structure, location, implementation time and schedule.

Article 26. Order and procedures for decision on investment policy on group-B and group-C projects financed by the central budget, national and government bonds or retained revenues for investment not yet included in the state budget balance managed by ministries or central agencies

1. A minister or the head of a central agency shall:

a/ Assign an attached unit to prepare the investment policy proposal report;

b/Assign a competent unit or form a council to appraise the investment policy proposal report;

- c/ Direct the unit mentioned at Point a of this Clause to finalize the investment policy proposal report for sending to the Ministry of Planning and Investment.
- 2. The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance in, appraising the funding source and fund balancing capability.
- 3. On the basis of the appraisal opinions prescribed in Clauses 1 and 2 of this Article, the minister or the head of the central agency shall issue the decision on investment policy covering the objective, scope, total investment, funding source structure, location, implementation time and schedule.
- Article 27. Order and procedures for decision on investment policy on group-B and group-C projects financed by the central budget and national and government bonds managed by localities
 - 1. The chairperson of a People's Committee shall:
- a/ Assign a specialized agency or the lower-level People's Committee to prepare the investment policy proposal report;
- b/Form a council to appraise the investment policy proposal report, funding source and fund balancing capability;
- c/Direct the agency mentioned at Point a of this Clause to finalize the investment policy proposal report.
 - 2. For group-B projects and group-C key projects:
- a/ For group-B projects and group-C key projects managed by provincial-level People's Committees, provincial-level People's Committees shall assign provincial-level Departments of Planning and Investment to appraise funding sources and fund balancing capability before submitting investment policy proposal reports to provincial-level People's Councils for opinion.

After provincial-level People's Councils approve investment policy proposal reports, provincial-level People's Committees shall submit them to the Ministry of Planning and Investment;

b/ For group-B projects and group-C key projects managed by district- or commune-level People's Committees, these People's Committees shall submit investment policy proposal reports to the same-level People's Councils for opinion.

After obtaining the approval of the People's Councils of the same level, district-level or commune-level People's Committees shall submit investment policy proposal reports to provincial-level People's Committees. Provincial-level People's Committees shall assign their Departments of Planning and Investment to appraise funding sources and fund balancing capability before submitting investment policy proposal reports to the Ministry of Planning and Investment;

- c/ The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance in, appraising funding sources and fund balancing capability;
- d/Provincial-level People's Committees shall direct the finalization of investment policy proposal reports according to appraisal opinions of the Ministry of Planning and Investment;
- dd/ The People's Committees shall submit investment policy proposal reports to the samelevel People's Councils for decision, which must state the objective, scope, total investment, funding source structure, location, implementation time and schedule.

3. For group-C projects not prescribed in Clause 2 of this Article:

a/ For projects managed by provincial-level People's Committees, provincial-level People's Committees shall assign their Departments of Planning and Investment to appraise funding sources and fund balancing capability before submitting investment policy proposal reports to the Ministry of Planning and Investment;

b/ For projects managed by district-level or commune-level People's Committees, chairpersons of district-level or commune-level People's Committees shall send investment policy proposal reports to provincial-level People's Committees. Provincial-level People's Committees shall assign their Departments of Planning and Investment to appraise funding sources and fund balancing capability before submitting investment policy proposal reports to the Ministry of Planning and Investment;

c/ The Ministry of Planning and Investment shall assume the prime responsibility for, and coordinate with the Ministry of Finance in, appraising funding sources and fund balancing capability;

d/Provincial-level People's Committees shall direct the finalization of investment policy proposal reports according to appraisal opinions of the Ministry of Planning and Investment;

dd/ District-level or commune-level People's Committees shall decide on investment policy covering the objective, scope, total investment, funding source structure, location, implementation time and schedule.

Article 28. Order and procedures for decision on investment policy on investment programs wholly financed by balanced funds of local budgets, municipal bonds, retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes

1. The program manager shall:

a/ Assign an attached unit to prepare the investment policy proposal report;

b/Assign a competent unit or form a council to appraise the investment policy proposal report;

c/ Finalize the investment policy proposal report for submission to the People's Committee of the same level.

2. Responsibilities of the chairperson of a People's Committee:

a/ For provincially managed programs, the chairperson of the provincial-level People's Committee shall form an appraisal council as prescribed at Point b, Clause 2, Article 23 of this Law or assign the provincial-level Department of Planning and Investment to assume the prime responsibility for, and coordinate with related agencies in, appraising the investment policy proposal report, funding source and fund balancing capability;

b/ For programs managed by district and commune levels, the chairperson of the district-level or commune-level People's Committee shall form a council to appraise the investment policy proposal report, funding source and fund balancing capability.

3. The program owner shall finalize the investment policy proposal report for the public investment program and submit it to the People's Committee of the same level.

4. The People's Committee shall submit the decision on investment policy to the People's Council of the same level.

- 5. On the basis of the appraisal opinions prescribed in Clause 2 of this Article, the People's Council of a certain level shall decide on the investment policy covering the objective, scope, total investment, location and implementation time and schedule.
- Article 29. Order and procedures for decision on investment policy on group-B projects and group-C key projects financed by balanced funds of local budgets, municipal bonds, retained revenues for investment not yet included in local budget balances or other loans borrowed by local budgets for investment purposes
 - 1. The agency assigned to prepare the investment policy proposal report shall:
 - a/ Assign an attached unit to prepare the investment policy proposal report;
- b/Assign a competent unit or form a council to appraise the investment policy proposal report;
- c/ Finalize the investment policy proposal report for submission to the People's Committee of the same level.
- 2. For projects financed by balanced funds of provincial-level budgets, municipal bonds, retained revenues for investment not yet included in local budget balances or other loans borrowed by local budgets for investment purposes:
- a/ The chairperson of the provincial-level People's Committee shall form an appraisal council as prescribed at Point b, Clause 2, Article 23 of this Law or assign its Department of Planning and Investment to assume the prime responsibility for, and coordinate with related agencies in, appraising the investment policy proposal report, funding source and fund balancing

For projects managed by district and commune levels, the district-level or communelevel People's Committee shall seek opinions from the People's Council of the same level before submission to the provincial-level People's Committee.

- b/On the basis of the appraisal opinions prescribed at Point a of this Clause, the agency assigned to prepare the investment policy proposal report shall finalize the report and send it to the provincial-level People's Committee for submission to the provincial-level People's Council for decision on the investment policy, covering the objective, scope, total investment, location and implementation time.
- 3. For projects financed by balanced funds of district- or commune-level budgets and retained revenues for investment not yet included in district- or commune-level budget balances, the district-level or commune-level People's Committee shall submit to the People's Council of the same level for decision the investment policy covering the objective, scope, total investment, location and implementation time.
- Article 30. Order and procedures for decision on investment policy on group-C projects financed by balanced funds of provincial-level budgets, municipal bonds, retained revenues for investment not yet included in provincial-level budget balances or other loans borrowed by local budgets for investment purposes
 - 1. The agency assigned to prepare the investment policy proposal report shall:
 - a/Assign an attached unit to prepare the investment policy proposal report;
 - b/Assign a competent unit or form a council to appraise the investment policy proposal report;
- c/ Finalize the investment policy proposal report for submission to the provincial-level People's Committee.

- 2. The provincial-level Department of Planning and Investment shall assume the prime responsibility for, and coordinate with related agencies in, appraising the investment policy proposal report, funding sources and fund balancing capability.
- 3. On the basis of the appraisal opinions prescribed in Clause 2 of this Article, the agency assigned to prepare the investment policy proposal report shall finalize the report and submit it to the provincial-level People's Committee.
- 4. The provincial-level People's Committee shall decide on the investment policy covering the objective, scope, total investment, location and implementation time and schedule.
- Article 31. Order and procedures for decision on investment policy on group-C projects financed by balanced funds of district- or commune-level budgets or retained revenues for investment not yet included in district- or commune-level budget balances
- 1. For projects financed by balanced funds of district-level budgets and retained revenues for investment not yet included in district-level budget balances:
- a/ The chairperson of the district-level People's Committee shall assign a specialized agency or the commune-level People's Committee to prepare the investment policy proposal report and form a council to appraise the report, funding source and fund balancing capability;
- b/ The agency assigned to prepare the investment policy proposal report shall finalize the report and submit it to the district-level People's Committee;
- c/ The district-level People's Committee shall make decide on the investment policy covering the objective, scope, total investment, funding source structure, location and implementation time and schedule.
- 2. For projects financed by balanced funds of commune-level budgets and retained revenues for investment not yet included in commune-level budget balances:
- a/ The chairperson of the commune-level People's Committee shall organize the preparation of the investment policy proposal report and form a council to appraise the report, funding source and fund balancing capability;
- b/The commune-level People's Committee shall decide on the investment policy covering the objective, scope, total investment, funding source structure, location, implementation time and schedule.
- Article 32. Principles, order and procedures for decision on investment policy on projects financed by state development investment credit
- 1. Decision on investment policy on projects financed by state development investment credit must ensure subjects, sectors and fields eligible to use state development investment credit.
 - 2. Order and procedures for decision on investment policy:
- a/ For national important projects, the order and procedures must comply with Articles 19, 20 and 21 of this Law;
 - b/For group-A projects, the order and procedures must comply with Article 23 of this Law;
- c/ For group-B and group-C projects managed by ministries and central agencies, the order and procedures must comply with Article 26 of this Law;
- d/ For group-B and group-C projects managed by the central bodies of the Vietnam Fatherland Front and socio-political organizations and other agencies or organizations, the order and procedures must comply with Article 25 of this Law;

dd/For group-B and group-C projects managed by provincial-level People's Committees, the order and procedures must comply with Articles 29 and 30 of this Law.

- Article 33. Principles, order and procedures for decision on investment policy on emergency projects and projects in the form of public-private partnership
- 1. Decision on investment policy on emergency projects that aim to timely overcome consequences of natural disasters and other *force majeure* events must ensure the effective use of funding sources for public investment and avoid losses and waste.
- 2. Decision on investment policy on projects in the form of public-private partnership must ensure the following principles:
 - a/ Complying with the conditions prescribed in Article 18 of this Law;
 - b/ Ensuring strict management of public investment funds;
- c/ Creating conditions for investors and project enterprises to proactively manage and use their funds contributed to the projects for investment purposes and according to their commitments to the State.
- 3. The order of, procedures for and contents of decision on investment policy on emergency projects and investment projects in the form of public-private partnership:
- a/For national important projects, they must comply with Articles 19, 20 and 21 of this Law; b/ For projects other than those prescribed at Point a of this Clause, they must comply with the Government's regulations.
- Article 34. Contents of investment policy proposal reports for public investment programs Major contents of an investment policy proposal report for a public investment program include:
- 1. Necessity of the program to achieve strategic socio-economic development objectives, master plans and plans;
 - 2. Objectives, scope and size of the program;
- 3. Estimated total investment and resource structure for the program implementation, including the list of projects or investment objects, the capability of balancing funds for public investment and mobilizing other funds and resources;
- 4. Projected program implementation schedule which must take into account the practical conditions and the capability of mobilizing different resources in a reasonable order of priority to ensure concentrated and effective investment:
- 5. Determination of related expenses to be incurred during the implementation process and operation expenses after completion of the program;
- 6. Preliminary analysis and evaluation of environmental and social impacts and calculation of socio-economic effectiveness of the program;
 - 7. Classification of component projects of the program in accordance with law;
 - 8. Implementation solutions.
- Article 35. Contents of prefeasibility study reports for national important projects and group-A projects
- 1. Contents of prefeasibility study reports for national important projects and group-A projects with construction components must comply with the construction law.

- 2. Major contents of a prefeasibility study report for a national important project or group-A project without construction components must include:
- a/Necessity of investment, conditions for investment and evaluation of conformity with the investment master plan and plan;
- b/ Forecast of demands and scope of service and proposed objectives, scope and form of investment;
 - c/ Investment area and location, estimated demands for land area and other natural resources;
- d/ Preliminary analysis and selection of technologies, techniques and conditions for supplying supplies, equipment, raw materials, energy, services and infrastructural facilities;
 - dd/ Preliminary analysis and selection of investment plans and sizes of investment items;
- e/ General plan for compensation, ground clearance, resettlement, environmental protection measures;
 - g/Preliminary analysis and evaluation of environmental and social impacts of the project;
- h/ Preliminary estimation of total investment, fundraising plans and funding source structure;
- i/ Preliminary estimation of expenses for operation, maintenance and major repair of the project in the period of operation;
 - k/ Expected project implementation schedule and investment phasing;
 - 1/ Preliminary determination of socio-economic investment efficiency of the project;
 - m/ Determination of component projects or sub-projects (if any);
 - n/ Implementation solutions.
- Article 36. Contents of investment policy proposal reports for group-B and group-C investment projects

Major contents of an investment policy proposal report for a group-B or group-C project

- 1. Necessity of and condition for investment, evaluation of conformity with the investment must include: master plan and plan;
 - 2. Objectives, scale, location and scope of investment;
- 3. Estimation of total investment, funding structure, the capability of balancing public investment funds and raising of other funds and resources for the project implementation;
- 4. Proposed schedule of investment implementation in conformity with practical conditions and capability of resource mobilization in a reasonable order of priority to ensure concentrated and effective investment;
- 5. Preliminary estimation of related expenses to be incurred during the project implementation and operation expenses after completion;
- 6. Preliminary analysis and evaluation of environmental and social impacts; preliminary determination of the socio-economic effectiveness of investment;
 - 7. Determination of component projects (if any);
 - 8. Implementation solutions.
- Article 37. Dossiers, contents and time of appraisal of, and decision on investment policy on, programs and projects

Dossiers, contents and time of appraisal, and decision on investment policy and appraisal of funding sources and fund balancing capability for, programs and projects must comply with the Government's regulations.

Article 38. Decentralization of appraisal of funding sources and fund balancing capability for programs and projects

- 1. The Ministry of Planning and Investment shall take charge of appraising funding sources and fund balancing capability for:
 - a/ National target programs;
 - b/ Target programs on which investment policy shall be decided by the Government;
 - c/ National important projects;
 - d/ Projects financed by the central budget and national and government bonds;
 - dd/ Projects financed by ODA loans and concessional loans of foreign donors;
- e/ Projects of ministries, central agencies, central bodies of the Vietnam Fatherland Front or socio-political organizations, other agencies and organizations, financed by state development investment credit and retained revenues for investment not yet included in the state budget balance;
 - g/ Projects financed by other sources according to the Government's regulations.
- 2. Before sending dossiers to the Ministry of Planning and Investment as prescribed in Clause 1 of this Article, ministers, heads of central agencies or central bodies of the Vietnam Fatherland Front or socio-political organizations, or other agencies and organizations shall assign a specialized investment management agency to conduct preliminary appraisal of funding sources and fund balancing capability of programs or projects they are assigned to manage.
- 3. Chairpersons of provincial-level People's Committees shall assign their Departments of Planning and Investment to assume the prime responsibility for, and coordinate with related agencies in, appraising funding sources and fund balancing capability for the following programs or projects under their management:
- a/Programs or projects financed by the central budget, national and government bonds, ODA loans or concessional loans of foreign donors before provincial-level People's Committees send dossiers to the Ministry of Planning and Investment;
- b/ Programs or projects financed by balanced funds of provincial-level budgets and municipal bonds, retained revenues for investment not yet included in provincial budget balances and other loans borrowed by local budgets for investment purposes;
 - c/ Projects financed by state development investment credit.
- 4. Chairpersons of district-level or commune-level People's Committees shall organize appraisal of funding sources and fund balancing capability for the following programs or projects under their management:
- a/ Programs or projects financed by balanced funds of district-level or commune-level budgets or retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes;
- b/Before sending dossiers to provincial-level People's Committees, they shall organize appraisal of funding sources and fund balancing capability for projects financed by the central budget, national and government bonds, ODA loans or concessional loans of foreign donors, balanced funds of provincial-level budgets or municipal bonds;
 - c/ Projects financed by state development investment credit.

Section 2

FORMULATION AND APPRAISAL OF, AND INVESTMENT DECISION ON, PUBLIC INVESTMENT PROGRAMS AND PROJECTS

Article 39. Competence to decide on investment in programs and projects

1. The Prime Minister has the competence to decide on investment in:

a/National target programs and national important projects on which investment policy has been approved by the National Assembly;

b/ Target programs on which investment policy has been approved by the Government;

c/Programs and projects financed by ODA loans or concessional loans of foreign donors in the fields of security, national defense and religion, and other programs and projects according to the Government's regulations.

2. Ministers, heads of central agencies or central bodies of the Vietnam Fatherland Front or socio-political organizations, and other agencies or organizations have the competence to:

a/Decide on investment in group-A, group-B and group-C projects financed by the state budget, national and government bonds, state development investment credit, and retained revenues for investment not yet included in the state budget balance;

b/ Decide on group-A, group-B and group-C investment projects financed by ODA loans or concessional loans of foreign donors under their management, excluding the projects prescribed at Point c, Clause 1 of this Article;

c/Decentralize or authorize the competence to decide on investment in group-B and group-C projects prescribed at Points a and b of this Clause to their immediate lower-level agencies.

3. Chairpersons of provincial-level People's Committees have the competence to:

a/ Decide on investment in programs wholly financed by balanced funds of provincial-level budgets, state development investment credit, municipal bonds or retained revenues for investment not yet included in provincial budget balances and other loans borrowed by local budgets for investment purposes;

b/ Decide on investment in group-A, group-B and group-C projects under provincial-level management, excluding the projects prescribed at Point c, Clause 1 of this Article;

c/ Decentralize or authorize the competence to decide on group-B and group-C projects prescribed at Point b of this Clause to lower-level agencies.

4. Chairpersons of district-level or commune-level People's Committees have the competence to:

a/ Decide on investment in programs wholly financed by balanced funds of district- or commune-level budgets, retained revenues for investment not yet included in district- or commune-level budget balances under the decision-making competence of district- or commune level People's Councils;

b/ Decide on investment in group-B and group-C projects wholly financed by balanced funds of district- or commune-level budgets, retained revenues for investment not yet included in district- or commune-level budget balances;

c/ Chairpersons of district-level People's Committees may decentralize or authorize immediate lower-level agencies to decide on investment in the projects prescribed at Point b of this Clause.

Article 40. Bases for formulation and appraisal of, and decision on, programs or projects

- 1. Socio-economic development strategy and plan.
- 2. Socio-economic and sectoral development master plans.
- 3. Necessity of the program or project.
- 4. Objectives of the program or project.
- 5. Investment policy decided by competent authorities.
- 6. Capability of mobilizing and balancing public investment funds and other funding sources for program or project implementation.

Article 41. Order of formulation and appraisal of, and decision on national target programs

- 1. Based on the investment policy decided by the National Assembly, program owners shall prepare feasibility study reports and submit them to the Prime Minister.
- 2. The Prime Minister shall form a state council for the appraisal of programs chaired by the Minister of Planning and Investment.
- 3. The State Appraisal Council shall appraise the contents specified in Clause 1, Article 47, and Clause 2, Article 48, of this Law.
- 4. On the basis of opinions of the State Appraisal Council, program owners shall finalize feasibility study reports and prepare draft decisions on programs and send them to the State Appraisal Council for consideration and submission to the Prime Minister.
 - 5. The Prime Minister shall consider and make decision.
- Article 42. Order of formulation and appraisal of and investment decision on public investment programs on which investment policy is decided by the Government
- 1. Based on the investment policy decided by the Government, program owners shall formulate and appraise the programs in accordance with law and submit them to the Prime Minister.
- 2. The Ministry of Planning and Investment shall appraise the contents prescribed in Clause 1, Article 47, and Clause 2, Article 48, of this Law.
- 3. Program owners shall finalize the programs and draft decisions on investment in the programs and send them to the Ministry of Planning and Investment for consideration and submission to the Prime Minister.
 - 4. The Prime Minister shall consider and make decision.
- Article 43. Order of formulation and appraisal of, and investment decision on, public investment programs on which investment policy is decided by People's Councils
- 1. Based on the investment policy decided by the People's Councils, program owners shall formulate and appraise investment programs in accordance with law and submit them to the same-level People's Committees.
- 2. The People's Committees shall appraise the contents prescribed in Clause 1, Article 47, and Clause 2, Article 48, of this Law.
- 3. Program owners shall finalize the programs and draft investment decisions and submit them to the chairpersons of the People's Committees for consideration and decision.
 - Article 44. Order of formulation and appraisal of, and decision on, projects
 - 1. For national important projects:

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a/ Based on the investment policy decided by the National Assembly, project owners shall prepare feasibility study reports for the projects and report them to the managing agencies for consideration and submission to the Prime Minister;

b/ The Ministry of Planning and Investment shall propose the Prime Minister to form a state council to appraise the projects;

c/ The State Appraisal Council shall appraise the contents prescribed in Clauses 2 and 3 of Article 47, and Clause 2 of Article 48, of this Law;

d/ On the basis of the appraisal opinions, project owners and managing agencies shall finalize the projects and managing agencies shall approve the reports and send them to the State Appraisal Council;

dd/ The State Appraisal Council shall submit all documents regarding the investment projects to the Prime Minister for consideration and decision on investment in the projects.

2. For projects without construction components:

a/ Based on the investment policy decided by competent authorities, project owners shall make feasibility study reports for the projects and submit them to competent authorities for investment decision;

b/ Ministers, heads of central agencies or central bodies of the Vietnam Fatherland Front or socio-political organizations or other agencies and organizations, and chairpersons of People's Committees at all levels shall form a council or assign a specialized investment management agency to appraise the projects;

c/ The appraisal council or specialized investment management agency shall appraise the contents prescribed in Clause 2, Article 47, and Clause 2, Article 48, of this Law;

d/Competent authorities shall decide on the investment after project owners finalize their feasibility study reports according to the appraisal opinions prescribed at Point c of this Clause.

3. The order of formulation and appraisal of, and investment decision on, projects with construction components must comply with the construction law and other relevant laws, except national important projects.

4. The order and contents of formulation and appraisal of, and investment decision on, projects in the form of public-private partnership must comply with the Government's regulations, except national important projects.

Article 45. Order of formulation and appraisal of, and investment decision on, programs and projects financed by ODA loans or concessional loans of foreign donors

1. After obtaining the decisions on investment policy, the managing agencies shall issue decisions on project owners and assign project owners to work with donors to make feasibility study reports for programs or projects and submit them to competent authorities for decision on investment in the programs or projects.

2. For programs or projects under the deciding competence of the Prime Minister prescribed at Point c, Clause 1, Article 39 of this Law:

a/The order of formulation and appraisal of, and investment decision on, national target programs and national important projects must comply with Article 41 and Clause 1, Article 44, of this Law;

b/ The Ministry of Planning and Investment shall appraise feasibility study reports for other projects and submit them to the Prime Minister for consideration and decision.

- 3. Heads of the managing agencies shall organize the appraisal of, and make investment decision on, programs and projects under their decision-making competence.
- 4. For programs or projects financed by ODA loans or concessional loans of foreign donors to which the domestic financial mechanism in the form of on-lending is applied, the formulation and appraisal of these programs or projects must comply with this Law; financial plans of the programs or projects and project owners' financial capability shall be appraised in accordance with the law on public debt management and other relevant laws.
- 5. The agency or unit in charge of appraisal shall collect opinions of related agencies and consider the order, procedures and schedule and opinions of donors.

Article 46. Adjustment of programs or projects

- 1. Competent authorities that decide on programs prescribed in Article 39 of this Law shall adjust programs in the following cases:
- a/ The objectives and conditions for implementation are adjusted in the socio-economic development strategy, master plan and plan;
 - b/ The investment policy of competent authorities is adjusted or suspended;
- c/ Force majeure circumstances cause change in the investment objectives and contents, costs and time of program implementation.
- 2. Competent authorities that decide on projects prescribed in Article 39 of this Law shall adjust the projects in the following cases:
- a/Force majeure circumstances cause change in the investment objectives and contents, costs and schedule of project implementation;
- b/ Natural disasters, fires or other force majeure events occur after the expiry date of project insurance;
- c/Elements that bring about higher financial and socio-economic efficiency appear as a result of the adjustment of the projects, which are appraised by competent agencies;
 - d/Adjustment of planning directly impacts the project;
- dd/The price index during the project implementation is higher than that used to calculate the rate of price inflation in the total investment decided by competent authorities.
- 3. Competent authorities may only adjust programs or projects after conducting examination and assessment in accordance with this Law.
- 4. The order and contents of formulation and appraisal of adjusted investment programs or projects must comply with the Government's regulations.

Article 47. Contents of feasibility study reports of programs and projects

- 1. A feasibility study report of a public investment program must include the following principal contents:
 - a/ Necessity of investment;
- b/ Assessment of current conditions of the sector or field relevant to the objectives and the scope of the program; urgent issues to be addressed in the program;
 - c/ General and specific objectives, results and major targets in each stage;
 - d/ Scale and size of the program;
 - dd/ Component projects of the program that should be implemented in order to achieve

the objectives of the program, order of priority and time for implementing such projects;

- e/ The estimated total fund for implementing the program, fund allocation according to the objectives, component projects and time for implementation; funding sources and fund raising plan;
 - g/Proposed time and schedule of program implementation;
- h/ Solutions to implementing the program; mechanisms and policies applicable to the program; possibility of integration and coordination with other programs;
 - i/ Request for international cooperation (if any);
 - k/ Program implementation organization;
 - 1/ Evaluation of overall socio-economic effectiveness of the program.
 - 2. A feasibility study report of a project without construction components must include:
 - a/ Necessity of investment;
- b/ Assessment of conformity with the socio-economic development master plan and sectoral development master plan;
- c/ Analysis and determination of objectives, tasks and output results of the project; analysis and selection of its appropriate scale; investment phasing; selection of investment form;
- d/ Analysis of natural conditions, economic-technical conditions and selection of investment locations;
 - dd/ Analysis and selection of technical methods, technology, equipment;
 - e/ Plan on management, operation and use of the project;
 - g/Environmental impact assessment and environmental protection solutions;
 - h/ Overall plan on compensation, ground clearance and resettlement;
 - i/ Expected schedule and timeline of project implementation;
 - k/ Total investment, funding source structure and funding raising plan;
 - 1/ Costs of operation, maintenance, repair and overhaul in the stage of project operation;
- m/Project management including determination of project owner, analysis and selection of methods of project implementation management, relationship and responsibilities of entities involved in the project implementation, and organization of the management apparatus for the project operation;
- n/ Analysis of investment efficiency including effectiveness and impacts on society, economy, security and national defense; recoverability of invested funds (if any).
- 3. Feasibility study reports of projects with construction components must comply with the law on construction and other relevant laws.
 - Article 48. Dossiers, contents and time for appraisal of programs and projects
 - 1. A dossier for appraisal of a program or project must comprise:
 - a/ A submission paper for appraisal of the program or project;
 - b/ The feasibility study report of the program or project;
 - c/ Other related documents.
- 2. Contents of and time for appraisal of programs and projects must comply with the Government's regulations.

Chapter III

FORMULATION, ASSESSMENT, APPROVAL AND ASSIGNMENT OF PUBLIC INVESTMENT PLANS

Section 1

GENERAL PROVISIONS

Article 49. Classification of public investment plans

- 1. Public investment plans may be classified by planning period, including:
- a/ Medium-term public investment plans formulated for 5 years in conformity with 5-year socio-economic development plans;
- b/ Annual public investment plans used for implementing the medium-term plan in conformity with the targets of annual socio-economic development plans and balancing annual public investment funds.
 - 2. Public investment plans may be classified by management level, including:
 - a/ National public investment plans;
 - b/ Public investment plans of ministries and central agencies;
 - c/ Public investment plans of local administrations at different levels.
 - 3. Public investment plans may be classified by funding source, including:
- a/ Plans on investment with central budget funds, including investment in sectors and fields of ministries, central agencies, central bodies of the Vietnam Fatherland Front and sociopolitical organizations, and other agencies and organizations and public investment programs financed by the central budget for ministries, sectors and localities;
 - b/ Plans on investment with balanced funds of local budgets;
- c/ Plans on investment with retained revenues for investment not yet included in the state budget balance;
 - d/Plans on investment financed by national bonds or government bonds;
 - dd/ Plans on investment with state development investment credit;
- e/ Plans on investment financed by municipal bonds and other loans borrowed by local budgets for investment purposes;
 - g/Plans on investment with ODA loans and concessional loans of foreign donors.
 - Article 50. Bases for formulation of medium-term and annual public investment plans
 - 1. Bases for formulation of a medium-term public investment plan must include:
- a/The situation and results of implementation of the 5-year socio-economic development plan and the medium-term public investment plan of the previous period;
- b/ The socio-economic development strategy, the 5-year socio-economic development plans of the country, sector, field and locality; national debt strategy; priority investment objectives in the 5-year plans of the country, sector, field and locality;
 - c/Approved sectoral development master plans and other relevant master plans;
- d/Demands for and forecast of the capability of raising investment funds for construction of socio-economic infrastructure; capability of balancing funds from the state budget, national

and government bonds, and retained revenues for investment not yet included in the state budget balance;

dd/Forecast of the effects of the global and domestic situations on the development and

raising of investment funding sources;

- e/ Mechanisms and policies to attract investment funds from different economic sectors to construct socio-economic infrastructure facilities.
 - 2. Bases for formulation of an annual public investment plan must include:
- a/ The situation and results of implementation of the socio-economic development plan of the country, sector, field and locality; results of implementation of the public investment plan of the previous year;

b/ Annual socio-economic development plan;

- c/ Medium-term public investment plan; urgent and unexpected tasks that are not specified in the medium-term public investment plan;
- d/ Demands for and capability of balancing resources for construction of socio-economic infrastructure facilities in the planning year.

Article 51. Principles of formulation of annual and medium-term public investment plans

- 1. Conformity with the objectives of the socio-economic development strategy, 5-year and annual socio-economic development plans of the country, sectors, fields, localities and approved master plans.
- 2. Conformity with the capabilities of balancing public investment funds and attracting funds from other economic sectors; assurance of macro balances and priority of public debt safety.
- 3. The allocation of public investment funds must comply with the principles, criteria and limits in each stage already approved by competent authorities.
- 4. Funds shall be allocated with priority to the sectors, fields and territories according to the development objectives and orientations in each stage.
 - 5. Assurance of publicity, transparency and equality.
- 6. Assurance of centralized and consistent management in terms of objectives, mechanisms and policies; decentralization of investment management to give more autonomy to the ministries, sectors and localities in accordance with law with a view to raising investment effectiveness.
- 7. Annual public investment plans must conform to approved medium-term public investment plans.
- Article 52. Contents of a medium-term public investment plan report submitted to competent authorities for approval
 - 1. The situation and results of implementation of the investment plan of the previous period.
- 2. Socio-economic development objectives; medium-term investment objectives and orientations.
- 3. Capabilities of mobilizing and balancing funds; estimated total investment to achieve the objectives and perform the tasks of socio-economic development and development of sectors and fields in the medium term, including funds for preparing investment, implementing projects, repaying advanced amounts and other loans borrowed by local budgets for investment purposes.
- 4. Principles of and criteria for allocation of funds under medium-term public investment plans.

- 5. The order of priority, selected list of projects and specific funds allocated for each project in the medium term which are conformable to the capabilities of balancing public investment funds and raising funds from other sources to achieve the objectives, perform the tasks and follow the orientations under 5-year socio-economic development plans.
 - 6. Implementation solutions and expected results.

Article 53. Contents of an annual public investment plan report submitted to competent authorities for approval

- 1. The situation of implementation of the public investment plan of the previous year.
- 2. Public investment orientations in the planning year.
- 3. Capability of raising and balancing funds in the planning year.
- 4. List of projects and specific funds allocated for each project that are conformable to the list of projects under the medium-term public investment plan and the capability of balancing funds under annual plans.
 - 5. Management and implementation solutions and expected results.

Article 54. Principles of allocation of funds under medium-term and annual public investment plans for programs and projects

- 1. Aiming to achieve the development objectives and follow the development orientations set out in the approved socio-economic development strategy and plan and master plans. Funds shall not be allocated for programs and projects outside the field of public investment.
- 2. Complying with the principles, criteria and limits for fund allocation decided by competent authorities.
- 3. Concentrating and allocating public investment funds for completing and speeding up the implementation of national important programs and projects, and key programs and projects of great significance to the socio-economic development of the country, administration levels and sectors.
 - 4. In each sector or field, funds shall be allocated in the following order of priority:
- a/ Projects that have been completed, handed over and put into use but still received insufficient funds; projects expected to be completed in the planning period; domestic funds contributed to projects financed by ODA loans and concessional loans of foreign donors; the State's investments in projects in the form of public-private partnership;
 - b/Projects in the transitional stage that are carried out according to approved schedule;
 - c/ New projects satisfying the requirements prescribed in Clause 5 of this Article.
- 5. Funds shall be allocated for new programs and projects that satisfy the following requirements:
- a/The programs or projects are necessary and eligible to be allocated funds in accordance with Articles 55 and 56 of this Law;
- b/ Funds have been allocated to repay outstanding debts in capital construction in accordance with Clause 2, Article 106 of this Law;
- c/ Sufficient funds are assured for completing the programs or projects according to approved investment schedules.
- 6. The Government shall decide on levels of reserve funds in medium-term public investment plans to solve problems arising in the course of the implementation of these plans.

Article 55. Conditions for programs and projects to be allocated funds under medium-term public investment plans

1. Investment policies have been decided by competent authorities.

2. Funding sources and fund balancing capability for the implementation of programs or projects have been clearly determined.

3. Regulations on principles and criteria for the allocation of public investment funds are complied with.

Article 56. Conditions for programs and projects to be allocated funds under annual public investment plans

- 1. Programs and projects must be listed in the medium-term public investment plans, excluding emergency projects prescribed in Clauses 1 and 3, Article 33 of this Law.
 - 2. Programs and projects have been decided by competent authorities.
- 3. Treaties on ODA loans or concessional loans have been signed for programs and projects financed by ODA loans or concessional loans of foreign donors.
- 4. Newly launched projects shall only be allocated funds after investment procedures are completed according to the Government's regulations.

Article 57. Funds for investment preparation and funds for implementation of projects in medium-term and annual public investment plans

1. Funds for investment preparation shall be allocated for:

a/Formulation, appraisal and decision on investment policies for projects;

b/ Formulation, appraisal and decision on investment in projects.

2. Funds for project implementation shall be allocated for ground clearance, making of technical designs, construction drawing design and cost estimates for projects or items of projects and construction for completed projects that have not yet been allocated adequate capital, projects expected to be completed, on-going projects and newly launched projects.

3. The balancing of funds for investment preparation and project implementation must comply with the Government's regulations.

Article 58. Order of formulation and appraisal of medium-term public investment plans

- 1. Before March 31 of the fourth year of the medium-term public investment plans of the current period, based on objectives, strategic orientations and the five-year socio-economic development plan, the Prime Minister shall promulgate regulations on the formulation of medium-term public investment plans for the next period, including objectives, orientations and assignment of tasks to formulate medium-term public investment plans.
- 2. Before May 15 of the fourth year of medium-term public investment plans of the current period, the Ministry of Planning and Investment shall guide ministries, sectors and localities on objectives, requirements, contents, time and schedule for formulating medium-term public investment plans for the next period.
- 3. Based on the Prime Minister's regulations and the Ministry of Planning and Investment's guidance, ministries, central agencies, central bodies of the Vietnam Fatherland Front and socio-political organizations, and other agencies and organizations shall:
- a/ Assign their specialized investment management agencies to guide the formulation of medium-term public investment plans;

b/ Assign attached agencies and units that use public investment funds to formulate medium-term public investment plans for the next period within their assigned tasks, report them to higher-level agencies for consideration before September 15 of the fourth year of medium-term public investment plans of the current period and send them to specialized investment management agencies before October 15 of the fourth year of medium-term public investment plans of the current period;

c/Assign specialized investment management agencies to appraise medium-term public investment plans for the next period before November 15 of the fourth year of medium-term public investment plans of the current period;

d/Assign specialized investment management agencies to formulate medium-term public investment plans and submit them to competent authorities for consideration and finalization and send them to the Ministry of Planning and Investment and the Ministry of Finance before December 31 of the fourth year of medium-term public investment plans of the current period.

4. Based on the Prime Minister's regulations and the Ministry of Planning and Investment's guidance, provincial-level People's Committees shall:

a/ Before June 15 of the fourth year of medium-term public investment plans of the current period, guide local agencies and units to formulate medium-term public investment plans for the next period;

b/Assign agencies and units that use public investment funds to organize the formulation and appraisal of medium-term public investment plans for the next period within the assigned tasks and funding sources under their management and report them to higher-level agencies for consideration before September 15 of the fourth year of medium-term public investment plans of the current period and send them to provincial-level Planning and Investment Departments before October 15 of the fourth year of medium-term public investment plans of the current period;

c/ Organize the appraisal of, or assign provincial-level Planning and Investment Departments to appraise, medium-term public investment plans of provincial-level departments and sectors before November 15 of the fourth year of medium-term public investment plans of the current period;

d/Assign provincial-level Planning and Investment Departments to formulate provincial-level medium-term public investment plans for the next period and submit them to provincial-level People's Committees for consideration before November 30 of the fourth year of medium-term public investment plans of the current period;

dd/ Submit to provincial-level People's Councils for opinion medium-term public investment plans for the next period, including a detailed list of projects financed with public investment funds and funding amount for each project;

e/ Finalize and send medium-term public investment plans for the next period to the Ministry of Planning and Investment and the Ministry of Finance before December 31 of the fourth year of medium-term public investment plans of the current period.

5. District- and commune-level People's Committees shall formulate and appraise, or assign specialized investment management agencies to organize the formulation and appraisal of, their medium-term public investment plans for the next period, and submit them to People's Councils of the same level for opinion and send them to provincial-level People's Committees as prescribed at Point a, Clause 4 of this Article.

6. Before January 31 of the fifth year of medium-term public investment plans of the current

period, the Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, estimating state budget revenues and expenditures for the next period and the capability of raising funds from national bonds and government bonds.

7. From February 1 to April 30 of the fifth year of medium-term public investment plans of the current period, the Ministry of Planning and Investment shall assume the prime responsibility for appraising fund allocation plans and schemes:

a/ Medium-term investment plans financed by the state budget, national and government bonds, state development investment credit, ODA loans and concessional loans of foreign donors and retained revenues for investment not yet included in the state budget balance for ministries, central agencies, central bodies of the Vietnam Fatherland Front and socio-political organizations, and other agencies and organizations;

b/ Medium-term investment plans financed by the central budget, national and government bonds, ODA loans and concessional loans of foreign donors for provincial-level People's Committees.

8. After the Ministry of Planning and Investment gives appraisal opinions, provincial-level People's Committees shall:

a/ Assign district- and commune-level People's Committees to finalize their medium-term public investment plans, report them to the People's Council of the same level for opinion and send them to provincial-level People's Committees before May 31 of the fifth year of medium-term public investment plans of the current period;

b/ Assign provincial-level Departments of Planning and Investment to finalize their medium-term public investment plans, report them to provincial-level People's Committees for submission to provincial-level People's Councils before June 15 of the fifth year of medium-term public investment plans of the current period;

c/ Finalize medium-term public investment plans for the next period and send them to the Ministry of Planning and Investment and the Ministry of Finance before June 30 of the fifth year of medium-term public investment plans of the current period.

- 9. After the Ministry of Planning and Investment gives appraisal opinions, ministries, central agencies, central bodies of the Vietnam Fatherland Front and socio-political organizations, other agencies and organizations shall finalize medium-term public investment plans for the next period and send them to the Ministry of Planning and Investment and the Ministry of Finance before June 30 of the fifth year of medium-term public investment plans of the current period;
- 10. Before July 31 of the fifth year of medium-term public investment plans of the current period, the Ministry of Planning and Investment shall summarize medium-term public investment plans and report them to the Government.

Article 59. Order of formulation and appraisal of annual public investment plans

- 1. Before May 15 every year, the Prime Minister shall promulgate regulations on the formulation of the socio-economic development plan and state budget estimates for next year, including objectives, major orientations and assignment of tasks of formulating public investment plans for next year.
- 2. Before June 15 every year, the Ministry of Planning and Investment shall guide ministries, sectors and localities the socio-economic development plan and objectives, requirements, contents, time and schedule for the formulation of public investment plans for next year.

- 3. Before June 30 every year, ministries, sectors and localities shall guide agencies and lower-level agencies to formulate public investment plans for next year.
- 4. Before July 20 every year, specialized investment management agencies and provincial-level Departments of Planning and Investment shall formulate, appraise and summarize public investment plans for next year within their assigned tasks and funding sources under their management for reporting to provincial-level People's Committees.
- 5. Before July 25 every year, the People's Committees shall report to the People's Councils of the same level for approval the draft public investment plans for next year, including a detailed list of projects and funding amount allocated for each project according to each funding source and send the draft reports adopted by the People's Councils to local higher-level agencies.
- 6. Before July 31 every year, ministries, sectors and localities shall finalize the draft public investment plans for next year and send them to the Ministry of Planning and Investment and the Ministry of Finance.
- 7. Before August 15 every year, the Ministry of Finance shall assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, estimating state budget revenues and expenditures and use of state budget funds for investment and issuance of national and government bonds planned for next year.
- 8. Before August 31 every year, the Ministry of Planning and Investment shall assume the prime responsibility for the appraisal of plans and schemes to allocate next-year public investment plans:
- a/ Funds from the state budget and national and government bonds, state development investment credit, ODA loans and concessional loans of foreign donors for ministries, sectors and localities;
- b/ Retained revenues for investment not yet included in the state budget balance of ministries, central agencies, central bodies of the Vietnam Fatherland Front and socio-political organizations, and other agencies and organizations.
- 9. Before September 10 every year, after obtaining appraisal opinions of the Ministry of Planning and Investment, ministries, sectors and localities shall finalize the draft public investment plans for next year and send them to the Ministry of Planning and Investment and the Ministry of Finance.
- 10. Before September 20 every year, the Ministry of Planning and Investment shall summarize the country's next-year public investment plan for reporting to the Government.
- 11. The order of formulation and appraisal of annual public investment plans by the district and commune levels must comply with the Government's regulations.

Section 2

FORMULATION, APPRAISAL, APPROVAL AND ASSIGNMENT OF INVESTMENT PLANS FINANCED BY THE STATE BUDGET, NATIONAL AND GOVERNMENT BONDS, MUNICIPAL BONDS, RETAINED REVENUES FOR INVESTMENT NOT YET INCLUDED IN THE STATE BUDGET BALANCE AND LOANS BORROWED BY LOCAL BUDGETS FOR INVESTMENT PURPOSES

Article 60. Principles of selection of lists of projects and estimation of funding amounts allocated for each project in medium-term and annual investment plans financed by the state budget

- 1. To comply with Articles 54, 55, 56 and 57 of this Law.
- 2. To conform to the capability of balancing the state budget in medium-term and annual public investment plans and capability of mobilizing other sources of investment funds for projects financed by various funding sources.
- 3. To be included in approved development investment programs and tasks of the state budget.
- 4. Funding sources and fund balancing capability for projects financed with state budget funds outside the management of an administration level shall be appraised by competent authorities.
- 5. To conform to the principles, criteria and limits for allocation of development investment funds from the state budget in the planning period according to the Government's regulations.
- 6. The funding amount allocated for each program or project must not exceed the approved total fund for such program or project.
- Article 61. Principles of selection of lists of projects and estimation of funds allocated for each project in medium-term and annual investment plans financed by balanced funds of local budgets
 - 1. To comply with Articles 54, 55, 56 and 57, and Clauses 5 and 6 of Article 60, of this Law.
- 2. To conform to the capability of balancing local budget revenues and expenditures, medium-term and annual public investment plans and the capability of mobilizing other sources of investment funds for projects financed by various funding sources.
- 3. To be included in the approved development investment programs and tasks financed by balanced funds of local budgets.
- 4. Funding sources and fund balancing capability of projects financed by local budgets outside the management of an administration level shall be appraised by competent authorities.
- Article 62. Principles of selection of lists of projects and estimation of funds allocated for each project in medium-term and annual investment plans financed by retained revenues for investment not yet included in local budget balances
 - 1. To comply with Article 60 of this Law.
- 2. The allocation and use of retained revenues for investment not yet included in local budget balances must conform to the objectives set in the National Assembly's Resolution and the Government's regulations.
- Article 63. Principles of selection of lists of projects and estimation of funds allocated for each project in medium-term and annual investment plans financed by municipal bonds and other loans borrowed by local budgets for investment purposes
 - 1. To comply with Articles 51 and 54 of this Law.
 - 2. To conform to the capability of mobilizing loans and other funding sources.
- 3. To ensure the capability of balancing local budgets to repay funds from municipal bonds and other loans borrowed by local budgets within prescribed time limits.
- 4. Not to use additional targeted allocations from the central budget and funds from government bonds to repay funds from municipal bonds and other loans borrowed by local budgets.

- 5. Not to use balanced funds of local budgets to pay interests on and charges for funds from municipal bonds and other loans borrowed by local budgets, except interests and charges already included in the total investment of each approved project.
- 6. Lists of projects financed by municipal bonds and other loans borrowed by local budgets must be included in the approved lists of projects in medium-term investment plans financed by the state budget. Funds allocated for projects must not exceed the approved funds of medium-term investment plans financed by the state budget.
- 7. Lists of projects financed by other loans borrowed by local budgets must be included in the approved lists of projects in medium-term investment plans financed by the state budget. Funds allocated for projects must not exceed the approved funds of medium-term investment plans financed by the state budget.
- Article 64. Principles of selection of lists of projects and estimation of funds allocated for each project in medium-term and annual investment plans financed by national and government bonds
 - 1. To comply with Articles 54, 55, 56 and 57 of this Law.
- 2. To conform to the capability of raising funds from national and government bonds in medium-term and annual public investment plans.
 - 3. To be eligible to use funds from national and government bonds.
- 4. Funding sources and fund balancing capability have been appraised by competent authorities.
- 5. To conform to the principles, criteria and limits for allocation of funds from national and government bonds in the planning period according to the Government's regulations.
- 6. The funding amount allocated for each program or project must not exceed the approved total fund of the program or project.
- Article 65. Submission, approval and assignment of medium-term investment plans financed by the state budget and national and government bonds
- 1. Before October 20 of the fifth year of the medium-term public investment plan of the current period, the Government shall submit to the National Assembly the medium-term public investment plan for the next period financed by the state budget and national and government bonds.
- 2. Before November 10 of the fifth year of the medium-term public investment plan of the current period, the National Assembly shall decide the medium-term public investment plan for the next period, including the following contents:
- a/National objectives and orientations for medium-term investment by the state budget and national and government bonds;
 - b/ The total investment fund from the state budget;
 - c/ The total fund from national and government bonds;
 - d/ The list of national target programs and national important projects;
 - $\label{eq:dd-Major} \mbox{ dold/Major solutions and policies for implementing the medium-term public investment plan.}$
- 3. Before December 10 of the fifth year of the medium-term public investment plan of the current period, the Prime Minister shall assign medium-term investment plans financed by the state budget and national and government bonds to ministries, sectors and localities.

4. Before December 31 of the fifth year of the medium-term public investment plan of the current period, the Ministry of Planning and Investment shall assign in detail medium-term investment plans financed by the central budget and national and government bonds to ministries, sectors and localities.

Article 66. Submission, approval and assignment of annual investment plans financed by the state budget and national and government bonds

- 1. Before October 20 every year, the Government shall submit to the National Assembly the state budget-financed investment plan for next year.
- 2. Before November 20 every year, the National Assembly shall decide the state budget-financed investment plan for next year.
- 3. Before November 20 every year, based on the total funds from national and government bonds decided by the National Assembly for the medium-term public investment plan, the Government shall decide on total funds of national and government bond-financed investment plan for next year.
- 4. Before November 30 every year, the Prime Minister shall assign the state-budget-financed investment plan with the total fund already decided by the National Assembly to ministries, sectors and localities.
- 5. Before December 15 every year, the Prime Minister shall assign the detailed lists and allocate the total funds of next-year investment plans financed by the central budget and national and government bonds to ministries, sectors and localities.
- 6. Before December 20 every year, the Ministry of Planning and Investment shall assign the detailed lists and allocate the funds for each project in next year investment plans financed by the central budget and national and government bonds to ministries, branches and localities.
- 7. Before December 31 every year, ministries, sectors and localities shall assign or notify next-year investment plans financed by the central budget and national and government bonds to their units.
- Article 67. Submission, approval and assignment of medium-term investment plans financed with balanced funds of local budgets, municipal bonds and retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes
- 1. Before November 10 of the fifth year of medium-term public investment plans of the current period, the People's Committees shall submit to the same-level People's Councils medium-term public investment plans, including the lists of programs and projects and the funds allocated for each project according to each funding source under medium-term public investment plans.
- 2. Before December 20 of the fifth year of medium-term public investment plans of the current period, provincial-level People's Councils shall decide on medium-term public investment plans, including the total funds of medium-term public investment plans, lists and the funds allocated for each project according to each funding source.
- 3. Before December 25 of the fifth year of medium-term public investment plans of the current period, district- and commune-level People's Councils shall decide on their respective medium-term public investment plans, including the total funds of their plans, lists and balanced funds of local budgets and retained revenues for investment not yet included in local budget balances allocated for each project.

- 4. Before December 31 of the fifth year of medium-term public investment plans of the current period, People's Committees of all levels shall assign medium-term investment plans to implementing units.
- Article 68. Submission, approval and assignment of annual investment plans financed by balanced funds of local budgets, municipal bonds and retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes
- 1. Before November 20 every year, the People's Committees shall submit to the same-level People's Councils next-year investment plans, including the lists and funds allocated for each project according to each funding source.
- 2. Before December 10 every year, provincial-level People's Councils shall decide on their next-year investment plans, including the lists and funds allocated for each project according to each funding source.
- 3. Before December 20 every year, district- and commune-level People's Councils shall decide on their respective next-year investment plans, including the lists, balanced funds of local budgets and retained revenues for investment not yet included in local budget balances for each project.
- 4. Before December 31 every year, People's Committees of all levels shall assign next-year investment plans to implementing units.

Section 3

FORMULATION, APPRAISAL, APPROVAL AND ASSIGNMENT OF INVESTMENT PLANS FINANCED BY STATE DEVELOPMENT INVESTMENT CREDIT, ODA LOANS AND CONCESSIONAL LOANS OF FOREIGN DONORS

Article 69. Formulation, appraisal, approval and assignment of investment plans financed by state development investment credit

- 1. Principles of formulation of investment plans financed by state development investment credit:
- a/ Projects must be capable of recovering invested funds, effective and capable of repaying debts, and belong to sectors or fields eligible for state development investment credit;
- b/ Project owners borrowing loans shall use such loans for proper purposes; fully pay the principal and interest on schedule under the signed credit contracts; fully implement their commitments in the contracts and comply with the law.

The Government shall prescribe sectors, fields and loan amounts for projects financed by state development investment credit, and the appraisal of financial and debt payment schemes for each project.

- 2. The formulation and appraisal of medium-term and annual investment plans financed by state development investment credit must comply with Articles 50, 51, 52, 53, 55, 56, 58 and 59 of this Law.
- 3. The assignment of medium-term investment plans financed by state development investment credit shall be implemented as follows:
- a/ Before December 10 of the fifth year of the medium-term public investment plan of the current period, the Prime Minister shall allocate the total amount of the medium-term investment plans financed by state development investment credit for the next period;

b/ Before December 31 of the fifth year of medium-term public investment plans of the current period, the Ministry of Planning and Investment shall assign medium-term public investment plans financed by state development investment credit for the next period according to sectors, fields and programs.

4. The assignment of annual investment plans financed by state development investment credit shall be implemented as follows:

a/ Before December 15 every year, the Prime Minister shall allocate the total amount of next-year investment plan;

b/Before December 20 every year, the Ministry of Planning and Investment shall assign next-year investment plans according to sectors, fields and programs.

Article 70. Principles of formulation of medium-term and annual investment plans financed by ODA loans and concessional loans of foreign donors

1. Medium-term and annual investment plans financed by ODA loans and concessional loans of foreign donors shall be developed based on annual implementation plans of programs and projects approved by competent authorities and the schedules committed to foreign donors.

2. Medium-term and annual investment plans financed by ODA loans and concessional loans of foreign donors must satisfy the following requirements:

a/ Reflecting contents of each component and each major activity of programs and projects, each source of loans, domestic funds and other funding sources, explanation reports on the grounds for calculation of each item;

b/ For programs and projects using both investment and non-business operation funds, managing agencies shall formulate and submit plans on ODA loans and concessional loans of foreign donors and domestic funds divided into each category of expenditures on the programs and projects,

c/ For programs and projects managed by various agencies, each agency or unit shall prepare plans for parts of projects to be carried out by itself. In case there is a common coordinating agency, the common coordinating agency shall summarize the master plan of each program or project;

d/ Balancing sufficient domestic funds in medium-term and annual public investment plans under commitments to foreign donors and in conformity with the annual practical disbursement capability of programs and projects. In case of obtaining the Prime Minister's permission, based on the agreement with foreign donors, ODA loans and concessional loans of foreign donors may be used as domestic funds.

Article 71. Formulation, appraisal and approval of investment plans financed by ODA loans and concessional loans of foreign donors

- 1. To comply with Articles 50, 51, 52, 53, 55, 56, 58, 59 and 70 of this Law.
- 2. Formulation of overall investment plans and annual detailed plans for programs and projects:

a/ Overall investment plans shall be formulated for the entire program or project implementation period and must include all components, items, groups of activities, resources and implementation schedule;

b/ Within 45 days from the signing date of the treaty on ODA loans and concessional loans of foreign donors, based on documents of programs and projects approved by competent authorities and the treaty on ODA loans and concessional loans of foreign donors, program or project owners shall coordinate with donors in making or reviewing and updating overall investment plans to be submitted to managing agencies for consideration and approval;

c/ For programs and projects comprising many component projects, their investment plans must contain overall investment plans and detailed plans for component projects. The heads of program- or project-managing agencies shall approve overall investment plans for programs or projects; the heads of component project-managing agencies shall approve investment plans for component projects;

d/ Within 10 days from the date of approval of investment plans for programs and projects, managing agencies shall send their approval decisions together with investment plans for programs and projects to the Ministry of Planning and Investment, related agencies and donors to serve the monitoring, evaluation and coordination of the implementation of programs and projects.

- 3. Submission, approval and assignment of investment plans financed by ODA loans and concessional loans of foreign donors:
- a/The submission, approval and assignment of investment plans financed by ODA loans and concessional loans of foreign donors that are balanced in the state budget must comply with Articles 65 and 66 of this Law;
- b/ The submission, approval and assignment of investment plans financed by ODA loans and concessional loans of foreign donors that apply the domestic financial mechanism in on-lending form must comply with Article 69 of this Law.

Chapter IV

IMPLEMENTATION, MONITORING, EXAMINATION, EVALUATION AND INSPECTION OF PUBLIC INVESTMENT PLANS

Section 1

IMPLEMENTATION OF PUBLIC INVESTMENT PLANS

Article 72. Organization of implementation of public investment plans

- 1. Pursuant to the National Assembly's resolution on medium-term and annual public investment plans, the Government shall prescribe organization and implementation solutions.
- 2. Pursuant to the National Assembly's resolution, competent authorities' plan assignment decisions, resolutions of People's Councils at all levels on medium-term and annual public investment plans, ministries, sectors and localities, district- and commune-level People's Committees and agencies and units using public investment funds shall decide on solutions to organize and implement public investment plans using funding sources under their management.
- 3. The Prime Minister shall coordinate and integrate funding sources for implementing investment programs financed by the state budget and national and government bonds of ministries, sectors and localities, and agencies and units using public investment funds, without affecting programs' and projects' objectives.
- 4. Chairpersons of provincial-level People's Committees shall decide on the coordination and integration of funding sources for implementing programs and projects using balanced funds of local budgets, municipal bonds, retained revenues for investment not yet included in

provincial budget balances, and other loans borrowed by local budgets for investment purposes, without affecting programs' and projects' objectives.

Article 73. Compliance with public investment plans

- 1. Ministries, sectors and localities, and district- and commune-level People's Committees shall:
- a/ Notify or decide to assign public investment plans to agencies and units using public investment funds;
 - b/Report to competent authorities on the assignment of public investment plans.
- 2. Agencies and units using public investment funds shall report on the implementation of the plans to competent authorities according to the Government's regulations.
- 3. The Ministry of Planning and Investment and specialized public investment management agencies shall examine and urge to ensure the assignment and Compliance with public investment plans under competent authorities' decisions.

Article 74. Implementation of public investment plans

- 1. Ministries, sectors and localities, district- and commune-level People's Committees and agencies and units using public investment funds shall:
- a/Organize the implementation of public investment plans in line with objectives decided by competent authorities;
- b/ Implement projects according to schedules and funding plans decided by competent authorities;
- c/Formulate bidding plans and organize the selection of contractors for bidding packages of projects financed by funds under public investment plans decided by competent authorities.
- d/ Organize the pre-acceptance test, payment and settlement under contracts for bidding packages that have been completed, handed over and put into operation;
- dd/ Balance funding sources to pay off outstanding debts in capital construction prescribed in Clause 2, Article 106 of this Law;
- e/ Ensure investment scope and scale for each project to be carried out in line with the approved objectives, field and program and the allocated fund;
 - g/ Monitor, examine and assess the implementation of public investment plans.
- 2. The Ministry of Planning and Investment shall guide, monitor, examine and inspect the implementation of medium-term and annual public investment plans of ministries, central agencies and provincial-level People's Committees.
- 3. The Ministry of Finance shall ensure the allocation of sufficient funds according to public investment plans decided by competent authorities.
 - 4. The Government shall stipulate in detail the implementation of public investment plans.

Article 75. Adjustment of public investment plans

- 1. The National Assembly shall decide the overall adjustment of medium-term and annual investment plans financed by the state budget and national and government bonds in the following cases:
 - a/Objectives of national socio-economic development strategies and plans are adjusted;
- b/There are unexpected changes in the state budget balance or the capability of mobilizing funding sources.

- 2. The National Assembly Standing Committee shall decide the adjustment of medium-term and annual investment plans financed by the state budget and national and government bonds among ministries, sectors and localities in case there is no change in the total funds decided by the National Assembly for medium-term and annual investment plans.
- 3. The Prime Minister shall, based on the practical situation of the planning period, decide to adjust:
- a/ Medium-term investment plans financed by the central budget and national and government bonds assigned to ministries, sectors and localities under Clause 3, Article 65 of this Law within the total funds decided by the National Assembly for each ministry, sector and locality;
- b/Annual investment plans financed by the central budget and national and government bonds among sectors, fields and programs of subjects prescribed in Clauses 4 and 5, Article 66 of this Law;
- c/ Medium-term and annual investment plans financed with state development investment credit;
- d/ Medium-term and annual investment plans for programs and projects financed with ODA loans and concessional loans of foreign donors within managing agencies.
 - 4. The Ministry of Planning and Investment shall:
- a/ Assume the prime responsibility for the appraisal of schemes to adjust medium-term and annual investment plans financed by the central budget and national and government bonds among sectors, fields and programs of ministries, sectors and localities, and report them to the Prime Minister for consideration and decision;
- b/ Assume the prime responsibility for the appraisal of schemes to adjust medium-term investment plans financed by the central budget and national and government bonds within sectors, fields and programs of ministries, sectors and localities, and report them to the Prime Minister for consideration and decision;
- c/ Adjust annual investment plans financed by the central budget and national and government bonds within sectors, fields and programs of ministries, sectors and localities, which must not exceed the total funds decided by competent authorities for medium-term public investment plans for each project.

Before March 31 every year, the Ministry of Planning and Investment shall summarize and report to the Prime Minister on the adjustment of the previous year's investment plans as prescribed at this Point.

- 5. Provincial-level People's Councils shall adjust medium-term and annual investment plans financed by balanced funds of local budgets, municipal bonds and retained revenues for investment not yet included in local budget balances, and other loans borrowed by local budgets for investment purposes in the following cases:
 - a/ Objectives of local socio-economic development plans are adjusted;
- b/ There are unexpected changes in the balance of local budget revenues or the local capability of mobilizing funding sources;
- c/ There are changes in local agencies' and units' use demands or capability of using annual plans' funds.

- 6. People's Committees of all levels shall decide on the adjustment of medium-term and annual investment plans financed by balanced funds of local budgets, municipal bonds and retained revenues for investment not yet included in local budget balances, and other loans borrowed by local budgets for investment purposes among sectors, fields and programs, and within sectors and fields, and programs of units using these funding sources and report it to the same-level People's Councils at the next session.
- Article 76. Duration of implementation and disbursement of funds of medium-term and annual public investment plans
- 1. For projects financed by the state budget, national and government bonds, municipal bonds and retained revenues for investment not yet included in the state budget balance:
- a/ The duration of implementation and disbursement of funds of the previous period's medium-term public investment plans may last through December 31 of the first year of medium-term public investment plans of the next period;
- b/ The duration of disbursement of funds of annual public investment plans may be extended to the following year. In special cases, under competent authorities' permission, the disbursement duration may be extended but not beyond the period of medium-term public investment plans.
- 2. For programs and projects financed by ODA loans and concessional loans of foreign donors:
- a/ The duration of disbursement of funds of medium-term and annual public investment plans must comply with treaties on ODA loans and concessional loans signed with foreign donors;
- b/ Foreign funds contributed to annual public investment plans may be disbursed according to the schedules of implementation and allocation of funds of foreign donors.
- 3. For projects financed by state development investment credit and other loans borrowed by local budgets for investment purposes, the duration for disbursement must comply with loan terms.

Section 2

MONITORING, EXAMINATION, EVALUATION AND INSPECTION OF PUBLIC INVESTMENT PLANS, PROGRAMS AND PROJECTS

Article 77. Monitoring and examination of public investment plans

- 1. Specialized public investment management agencies shall monitor and examine public investment plans under the management of agencies and units.
 - 2. Contents of monitoring and examination of public investment plans include:
 - a/ The implementation of public investment law;
 - b/ The formulation, appraisal, approval and assignment of public investment plans;
- c/ The formulation, appraisal, approval and implementation of programs and projects arranged in public investment plans;
 - d/ The implementation of public investment plans;
 - dd/ Outstanding debts in capital construction, waste and losses in public investment.

Article 78. Evaluation of public investment plans

- 1. Medium-term public investment plans shall be evaluated on a mid-term basis and upon completion of the plans.
 - 2. Annual public investment plans shall be evaluated monthly and annually.
 - 3. Contents of evaluation of a public investment plan:
 - a/ Level of achievement against the plan approved by competent authorities;
- b/ The impacts of the public investment plan on attraction of investment funds from other sources and socio-economic development results;
 - c/ The feasibility of the public investment plan;
 - d/ The situation of public investment management;
- dd/ Shortcomings and limitations; reasons for shortcomings and limitations in the implementation of the public investment plan and solutions.

Article 79. Monitoring and examination of programs and projects

- 1. Managing agencies, program and project owners and persons with investment-deciding competence and public investment state management agencies shall supervise and examine the entire investment process of programs and projects against the approved contents and targets so as to ensure investment objectives and results.
 - 2. Programs and projects shall be examined as follows:
 - a/ Program and project owners shall examine their assigned programs and projects;
- b/Managing agencies and persons with investment-deciding competence shall examine at least once programs and projects that have an implementation duration longer than 12 months.
- c/ Managing agencies and persons with investment-deciding competence shall examine programs and projects upon their adjustment resulting in changes in program and project location, objectives, size and an increase in the total investment and in other cases when necessary;
- d/ Public investment state management agencies shall decide to conduct planned or unexpected examination of programs and projects.

Article 80. Evaluation of programs and projects

- 1. Evaluation of programs and projects include initial evaluation, mid-term or periodical evaluation, final evaluation, impact evaluation and unexpected evaluation.
- 2. Public investment programs are subject to mid-term or periodical evaluation, final evaluation and impact evaluation.
- 3. National important projects and group-A projects are subject to initial evaluation, mid-term evaluation, final evaluation and impact evaluation.
 - 4. Group-B and -C projects are subject to final evaluation and impact evaluation.
- 5. Apart from Clauses 2, 3 and 4 of this Article, managing agencies, persons with investment-deciding competence and public investment state management agencies may decide to make evaluations other than forms of evaluation prescribed in Clause 1 of this Article when necessary.

Article 81. Contents of evaluation of programs and projects

- 1. Contents of initial evaluation include:
- a/Preparation, organization and mobilization of resources to implement the program or project ensuring the approved objectives and schedule;

- b/ Problems newly arising since the time of program or project approval;
- c/ Proposed solutions to arising problems as suitable to practical conditions.
- 2. Contents of mid-term evaluation or periodical evaluation include:
- a/ The conformity of program and project implementation outcomes against investment objectives;
 - b/ Work performance by the time of evaluation against the approved plan;
 - c/ Proposed necessary solutions, even adjustment of the program or project.
 - 3. Contents of final evaluation include:
- a/The process of program or project implementation: program or project implementation management; outcomes of implementation of program or project objectives, mobilized resources; the program's or project's benefits for beneficiaries; the program's or project's impacts and sustainability.
- b/ Lessons drawn from the program or project implementation and necessary recommendations; responsibilities of consultancy organizations, managing agency, program or project owner, persons with investment policy- and investment-deciding competence and related agencies, organizations and persons.
 - 4. Contents of impact evaluation of a program or project include:
 - a/ Actual economic-technical operation;
 - b/ Socio-economic impacts;
 - c/ Environmental and ecological impacts;
 - d/ Sustainability of the project;
- dd/ Lessons drawn from the investment policy and investment decision, program or project implementation and operation; responsibilities of consultancy organizations, managing agency, program or project owner, persons with investment policy- and investment-deciding competence and related agencies, organizations and persons.
 - 5. Contents of unexpected evaluation include:
- a/ Conformity of the program or project implementation outcomes by the time of evaluation against investment objectives;
 - b/ Work performance by the time of evaluation against the approved plan;
- c/ Identification of unexpectedly arising problems (if any) and causes of such problems and responsibilities of related agencies, organizations and persons;
- d/ Effects and the extent of influence of arising problems on the program or project implementation and the possibility to achieve the program's or project's objectives;
 - dd/ Proposed necessary measures.

Article 82. Investment supervision by the community

- 1. Programs and projects are subject to community supervision. Vietnam Fatherland Front committees at all levels shall organize community investment supervision.
- 2. Managing agencies shall consult residents in localities where projects are carried out on investment decision on national important projects, group-A projects, projects with large-scale relocation, re-farming and resettlement, projects with high potential impacts on the environment and projects with direct impacts on the socio-economic life of residents in

localities where projects are carried out on investment policy, construction, land, waste treatment and environmental protection, compensation, ground clearance, re-farming and resettlement schemes in accordance with law.

- 3. Contents of investment supervision by the community:
- a/ The observance of the laws on investment, construction, land, waste treatment and
- b/ Compensation and ground clearance work and re-farming and resettlement schemes environmental protection; to ensure people's interests;
 - c/ Programs and projects partly funded by financial contributions of residents;
 - d/ The situation and progress of implementation of programs and projects;
 - dd/ The publicity and transparency in public investment in accordance with Article 14
 - e/ Detection of infringements upon the community interests; the project's negative of this Law; impacts on the community's living environment during the project implementation and operation, waste and losses of the project's funds and assets.
 - Article 83. Order, procedures and process of investment supervision by the community
 - 1. The Vietnam Fatherland Front shall assume the prime responsibility for, and coordinate with socio-political organizations and relevant agencies in:
 - a/ Making community investment supervision plans for annual programs and projects in localities according to the contents prescribed in Clause 3, Article 82 of this Law;
 - b/ Setting up community investment supervision boards for each program and project;
 - c/ Informing program or project owners and management units of supervision plans and members of the community investment supervision boards at least 45 days before implementation.
 - 2. Program or project owners and management units shall:
 - a/Provide full, truthful and timely documents related to the implementation of programs or projects specified in Clause 2, Article 82 of this Law to the community investment supervision boards:
 - b/ Facilitate the supervision by the community investment supervision boards in accordance with law;
 - c/ Assimilate supervision opinions and promote project implementation measures.
 - Article 84. Organization of monitoring, examination and evaluation of plans, programs and projects
 - 1. Program or project owners shall organize the monitoring and examination and conduct initial, mid-term and final evaluations of their programs or projects.
 - 2. Managing agencies, investment-deciding persons and public investment state management agencies shall organize the monitoring and examination and conduct impact evaluation and unexpected evaluation of programs and projects under their assigned management.
 - 3. Organizations and agencies conducting evaluations may conduct evaluation by themselves or hire capable and qualified consultants and consultancy organizations to do so.
 - 4. The Government shall stipulate in detail the supervision, inspection and evaluation of plans, programs and projects and community investment supervision.

Article 85. Public investment inspection

- 1. Inspection of public investment management and use must comply with this Law and other relevant laws.
- 2. Inspection of public investment activities shall be attached with agencies and organizations' performance of functions and tasks and follow the inspection order and procedures prescribed by the law on inspection.
- 3. Inspection results of public investment activities shall be made public in accordance with law. If detecting violations of public investment law, inspection agencies shall handle them according to their competence or transfer their dossiers to competent state agencies for handling.

Chapter V

TASKS, POWERS AND RESPONSIBILITIES OF AGENCIES, ORGANIZATIONS AND INDIVIDUALS IN PUBLIC INVESTMENT ACTIVITIES

Article 86. Tasks and powers of the National Assembly

- 1. To promulgate laws and resolutions on public investment.
- 2. To decide investment policies for national target programs and national important projects financed by public investment funds.
 - 3. To decide and adjust medium-term and annual public investment plans.
 - 4. To adjust criteria for the classification of national important projects.
- 5. To supervise the implementation of public investment plans, national target programs and national important projects; and supervise the implementation of the law on public investment.

Article 87. Tasks and powers of the Government

- 1. To perform the uniform state management of public investment.
- 2. To submit to the National Assembly for promulgation laws and resolutions; to submit the National Assembly Standing Committee for promulgation ordinances and resolutions on public investment.
 - 3. To promulgate legal documents on the management of public investment.
- 4. To submit to the National Assembly for decision investment policies for national target programs and national important projects.
- 5. To decide investment policies for target programs prescribed in Clause 2, Article 17 of this Law.
- 6. To formulate and submit to the National Assembly for decision and adjustment medium-term and annual public investment plans.
 - 7. To organize the implementation of medium-term and annual public investment plans.
- 8. To report to the National Assembly on the implementation of medium-term and annual public investment plans, national target programs and national important projects.
- 9. To organize the inspection and supervision of the implementation of medium-term and annual public investment plans; and examine the implementation of programs and projects financed by the central budget and national and government bonds, and the achievement of public investment objectives and policies in localities.

Article 88. Tasks and powers of the Ministry of Planning and Investment

- 1. To take responsibility before the Government for the performance of the uniform state management of public investment.
- 2. To promulgate or submit to competent authorities for promulgation legal documents on public investment, principles, criteria and limits for the allocation and use of public investment funds.
- 3. To assume the prime responsibility for, and coordinate with the Ministry of Finance in, identifying the total investment funds from the state budget, national and government bonds and state development investment credit for medium-term and annual public investment plans.
- 4. To summarize and submit the nation's medium-term and annual public investment plans to the Government.
- 5. To adjust or submit the adjustment of medium-term and annual public investment plans to competent authorities.
- 6. To take responsibility before the Government for the performance of uniform state management of ODA loans and concessional loans of foreign donors; to act as a focal point for mobilization, coordination, management and use of ODA loans and concessional loans of foreign donors.
- 7. To assume the prime responsibility for, and coordinate with related agencies in, appraising funding sources and the capability of balancing funds for projects financed by the central budget, national and government bonds and other sources in accordance with law.
- 8. To take responsibility before the Government for the performance of the uniform state management of national target programs.
- 9. To organize the implementation, monitoring, examination, evaluation and inspection of plans, programs and projects and other state management tasks of public investment.

Article 89. Tasks and powers of the Ministry of Finance

- 1. To coordinate with the Ministry of Planning and Investment in formulating medium-term and annual investment plans.
- 2. To coordinate with the Ministry of Planning and Investment in identifying the total investment funds from the state budget, national and government bonds and state development investment credit for medium-term and annual public investment plans.
- 3. To coordinate with the Ministry of Planning and Investment in appraising funding sources and the capability of balancing funds for projects financed by the central budget, national and government bonds and other sources in accordance with law.
- 4. To assume the prime responsibility for, and coordinate with the Ministry of Planning and Investment in, guiding local financial agencies to balance regular funds to pay for the formulation, appraisal of and decision on investment policies, approval of investment decisions for programs and maintenance and operation of projects that are put into operation.
- 5. To report to the Government on the disbursement and finalization of funds for plans, programs and projects.

Article 90. Tasks and powers of ministries and central agencies

1. To perform the state management of public investment in accordance with law.

- 2. To promulgate and guide, examine and supervise the implementation of, standards, regulations and economic and technical norms.
- 3. To decide investment policies for programs and projects prescribed in Clause 4, Article 17 of this Law and decide investment in programs and projects prescribed in Clause 2, Article 39 of this Law.
 - 4. To organize the formulation of public investment plans.
- 5. To monitor, evaluate, supervise, examine and inspect the implementation of plans, programs and projects under their management.
- 6. To report on the situation and outcomes of implementation of plans, programs and projects.
- 7. To coordinate with other ministries, sectors and localities in implementing plans, programs and projects according to their assigned functions and tasks.

Article 91. Tasks and powers of People's Councils at all levels

- 1. People's Councils at all levels have the following tasks and powers:
- a/To decide investment policies for programs financed wholly by balanced funds of local budgets, municipal bonds, retained revenues for investment not yet included in local budget balances under their competence and other loans borrowed by local budgets for investment purposes;

b/To consider and give opinions on investment policies for group-B projects and group-C key projects financed by the central budget and national and government bonds under local management;

c/To decide investment policies for programs and projects prescribed in Clause 5, Article 17 of this Law;

d/ To consider and give opinions on local medium-term and annual public investment plans, including the whole list and funds allocated for each project financed by the central budget and national and government bonds;

dd/ To decide local medium-term and annual public investment plans, including the whole list and funds allocated for each project financed by balanced funds of local budgets, state development investment credit, municipal bonds, retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes;

e/To supervise public investment-financed projects assigned to localities for management, including funds from the central budget, national and government bonds, balanced funds of local budgets, state development investment credit, municipal bonds, ODA loans and concessional loans of foreign donors, retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes.

2. Provincial-level People's Councils shall perform tasks and powers prescribed in Clause 1 of this Article and the following tasks and powers:

a/To consider and give opinions on investment policies for group-A projects under local management;

b/ To decide criteria for local key projects in conformity with development objectives and orientations, financial capability and local specific characteristics.

Article 92. Tasks and powers of provincial-level People's Committees

- 1. To perform the state management of public investment in localities in accordance with law.
 - 2. To submit to provincial-level People's Councils:
- a/ For decision, investment policies for programs financed by balanced funds of local budgets, municipal bonds and retained revenues left for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes;
- b/ For consideration and opinion, investment policies for projects under the Prime Minister's competence to decide investment policies prescribed in Clause 3, Article 17 of this Law;
- c/For decision, investment policies for group-B projects and group-C key projects under their respective management prescribed at Point b, Clause 5, Article 17 of this Law;
- d/ For consideration and opinion, medium-term and annual investment plans financed by the central budget, national and government bonds, ODA loans and concessional loans of foreign donors according to the list of projects and funds allocated for each project;
- dd/ For decision, medium-term and annual investment plans financed by balanced funds of local budgets, municipal bonds, state development investment credit and retained revenues for investment not yet included in local budget balances and other loans borrowed by local budgets for investment purposes.
- 3. To decide investment policies for projects in accordance with Clause 6, Article 17 of this Law and investment in programs and projects in accordance with Clause 3, Article 39 of this Law.
- 4. To organize the implementation and monitoring and evaluation of public investment plans financed by public investment funds under their management.
- 5. To coordinate with ministries and central agencies in implementing, monitoring, examining and evaluating programs and projects in their provinces.

Article 93. Tasks and powers of district- and commune-level People's Committees

- 1. To formulate medium-term and annual public investment plans under their respective management.
 - 2. To appraise programs and projects under their respective management.
 - 3. To submit to the same-level People's Councils:
- a/ For decision, investment policies for programs wholly financed by local budgets according to the decentralization of funding sources and retained revenues for investment not yet included in district- or commune-level budgets under their competence;
- b/ For opinion, investment policies for projects under the Prime Minister's competence to decide investment policies prescribed in Clause 3, Article 17 of this Law and under the competence of higher-level People's Councils;
- c/For decision, investment policies for group-B projects and group-C key projects under their respective management prescribed at Point b, Clause 5, Article 17 of this Law;
- d/ For decision, medium-term and annual investment plans financed by balanced funds of local budgets and retained revenues for investment not yet included in district- or commune-level budget balances.

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- 4. To decide investment policies for projects in accordance with Clause 6, Article 17 of this Law and investment in programs and projects in accordance with Clause 4, Article 39 of this Law.
- 5. To organize the implementation, monitoring, evaluation, examination and inspection of plans, programs and projects and other state management tasks of public investment under their respective decentralized management.
- 6. To coordinate with related agencies and organizations in implementing, monitoring, examining and evaluating programs and projects in localities.

Article 94. Tasks and powers of the State Audit Office

- 1. To decide on annual audit plans for plans, programs and projects and report them to the National Assembly and the Government before implementation.
- 2. To implement annual audit plans and conduct topical audits and audits with regard to plans, programs and projects at the request of the National Assembly, the National Assembly Standing Committee, the Government and the Prime Minister.
- 3. To report to the National Assembly and the National Assembly Standing Committee annual audit and topical audit results and results of implementation of requested audits with regard to plans, programs and projects.
- 4. To announce and publicize audit reports on plans, programs and projects in accordance with law.

Article 95. Tasks and powers of the Vietnam Fatherland Front

- 1. To assume the prime responsibility for investment supervision by the community of programs and projects in accordance with Clauses 1 and 3, Article 82 of this Law and other relevant laws.
- 2. To gather the community's opinions on investment policies for programs and projects in localities in accordance with Clause 2, Article 82 of this Law and the law on the exercise of democracy in communes, wards and townships.
- Article 96. Rights and responsibilities of agencies, organizations and individuals in proposing investment policies
- 1. To propose programs and projects in line with socio-economic development strategies, master plans and plans for each period.
- 2. To ensure the mobilization and balancing of resources for completing programs and projects on schedule and within prescribed time limits.
- 3. To propose to competent authorities for consideration and decision investment policies for programs that do not overlap other programs and regular tasks under their assigned functions and tasks.
- 4. To take responsibility for information and data related to the proposed programs and projects.
- Article 97. Rights and responsibilities of agencies, organizations and persons related to decision on investment policies
- 1. Agencies, organizations, persons and heads of organizations shall decide investment policies for programs and projects that satisfy the conditions specified in Article 18 of this Law.

- 2. Agencies, organizations or persons specified in Clauses 2, 3, 4 and 6, Article 17 of this Law who make wrong and ineffective investment decisions and fail to balance funds, causing losses and waste, shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability and pay compensations therefor in accordance with law.
- 3. Agencies, organizations or persons involved in the formulation and appraisal that commit violations resulting in wrong and ineffective investment decisions shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability; if causing damage, they shall pay compensations therefor in accordance with law.

Article 98. Rights and responsibilities of program and project owners related to programs and project formulation

- 1. To take responsibility before law for the contents of dossiers submitted to competent authorities for appraisal and decision.
 - 2. To supply necessary documents to program and project appraisal and investigation agencies.
- 3. To propose solutions for mobilizing funding sources for implementing programs and projects according to prescribed schedules and time limits.
- 4. To bear responsibility before law for the formulation of programs and projects. If committing violations, they shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability; if causing damage, they shall pay compensations therefor in accordance with law.
- Article 99. Rights and responsibilities of agencies, organizations and individuals deciding investment in programs and projects
- 1. To decide investment in programs and projects in conformity with investment policies decided by competent authorities and the capability of balancing funds from funding sources under their management and in conformity with standards and regulations on investment and appraisal results. In case wrong investment decisions result in ineffective and thinned-out investment, losses and waste, they shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability; if causing damage, they shall pay compensations therefor in accordance with law.
- 2. To appraise programs and projects before approval, including the appraisal of funding sources and the fund balancing capability.
- 3. To balance funds to pay for the formulation and appraisal of programs and projects under their management.
- 4. To instruct program and project owners to implement programs and projects on schedule and ensure quality under approved investment plans.
 - 5. To decide on the adjustment, postponement and cancellation of programs and projects.
- 6. To monitor, examine and evaluate programs and projects and activities of program and project owners during the process of program or project implementation.
- 7. To bear responsibility before law for violations of regulations on competence during the process of selection of program or project owners.
- Article 100. Rights and responsibilities of agencies, organizations and individuals involved in program and project design consultancy

- 1. Design consultancy organizations have the right to request program or project owners to provide information and documents related to the design of programs or projects.
- 2. To design programs and projects in accordance with regulations, standards, norms and technical solutions to ensure quality; not to design programs and projects in excess of regulations, standards and prescribed norms.
- 3. To take responsibility for program and project design results. In case inaccurate designs result in ineffective investment, waste and losses, they shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability; or if causing damage, they shall pay compensations therefor in accordance with law.

Article 101. Rights and responsibilities of agencies, organizations and individuals related to appraisal of plans, programs and projects

- 1. Agencies, organizations and individuals related to the appraisal of plans, programs and projects shall conduct appraisal in accordance with law and take responsibility for appraisal results and their proposals.
- 2. The appraisal must ensure independence, truthfulness and objectiveness and comply with this Law and other relevant laws.
- 3. If making wrong appraisals, they shall, depending on the nature and seriousness of violations, be disciplined, administratively handled or examined for penal liability; or if causing damage, they shall pay compensations therefor in accordance with law.

Article 102. Rights and responsibilities of program and project owners in program and project management and implementation

- 1. To organize the management and implementation of programs and projects to ensure objectives, schedule and quality.
- 2. To report on program and project implementation in accordance with this Law and other relevant laws.
- 3. If waste and losses occur, they shall, depending on the nature and seriousness of violations, be disciplined, administratively handled or examined for penal liability; or if causing damage, they shall pay compensations therefor in accordance with law.

Article 103. Rights and responsibilities of program and project management units

- 1. To propose schemes and solutions and organize the management and implementation of programs or projects to ensure objectives, schedule and quality under the authorization of program or project owners.
 - 2. To report to program or project owners on the implementation of programs or projects.
- 3. If waste and losses occur, they shall, depending on the nature and seriousness of violations, be disciplined, administratively handled or examined for penal liability; or if causing damage, they shall pay compensations therefor in accordance with law.

Article 104. Rights and responsibilities of plan, program and project monitoring, evaluation and examination agencies, organizations and persons

1. The heads of ministries, sectors and localities and chairpersons of district- and commune-level People's Committees, and program and project owners shall take responsibility for consequences of their failure to monitor, evaluate and examine plans, programs and projects or report under regulations.

- 2. Agencies, organizations or persons assigned to monitor, examine and assess plans, programs and projects shall take responsibility for the contents of their reports.
- 3. Program or project owners shall take responsibility for the contents of their reports and take responsibility before law for their reporting and supply of inaccurate information on the situation of investment within the scope of their management.
- 4. Agencies, organizations or persons who are assigned to monitor, examine and assess plans, programs and projects and commit acts of concealing violations or other acts of violation shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability; or if causing damage, they shall pay compensations therefor in accordance with law.

Article 105. Handling of violations

Agencies, organizations or persons violating provisions of this Law shall, depending on the nature and seriousness of their violations, be disciplined, administratively handled or examined for penal liability; or if causing damage, they shall pay compensations therefor in accordance with law.

Chapter VI

IMPLEMENTATION PROVISIONS

Article 106. Transitional provisions

- 1. The handling of programs and projects that are decided by competent authorities before the effective date of this Law and have not yet been allocated funds is prescribed as follows:
- a/ National important programs and projects shall be carried out under the National Assembly's resolution and the Government's investment decisions;
- b/ Programs and projects that are included in investment plans approved by competent authorities shall be carried out as planned;
- c/ For programs and projects that are not included in investment plans approved by competent authorities, their formulation, appraisal and decision on investment policy shall be carried out in accordance with this Law.
- 2. Funds under public investment plans shall only be allocated to pay outstanding debts in capital construction arising before the effective date of this Law.

Article 107. Effect

This Law takes effect on January 1, 2015.

Article 108. Detailing provision

The Government shall detail articles and clauses as assigned in this Law.

This Law was passed on June 18, 2014, by the XIIIth National Assembly of the Socialist Republic of Vietnam at the seventh session.-

Chairman of the National Assembly NGUYEN SINH HUNG