

**MINISTRY OF PLANNING AND INVESTMENT - MPI
DEPARTMENT OF INVESTMENT SUPERVISION AND
APPRAISAL - DISA**

**INVESTMENT SUPERVISION AND
EVALUATION IN VIETNAM: CURRENT
REGULATIONS AND PERFORMANCE**

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- (1) Vietnam legal framework on Investment Supervision and Evaluation over different periods;**
- (2) Basic contents of Decree No.84/2015/ND-CP dated 30 September 2015 of the Government on Investment Supervision and Evaluation (Decree No.84);**
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I. Vietnam Legal Framework on Investment Supervision and Evaluation over different periods (4)

(1) Decree No. 52/1999/ND-CP dated 08 July 1999 of the Government on issuance of Investment and Construction Management Regulations

- Circular No.01/2000/TT-BKH dated 01 October 2000 of the MPI guiding investment expertise activities. This is considered to be the first legal framework for investment supervision and evaluation in Vietnam.

I. Vietnam Legal Framework on Investment Supervision and Evaluation over different periods (4)

(2) Decree No.07/2003/ND-CP dated 30 January 2003 amending and supplementing a number of articles of Decree No.52/1999/ND-CP dated 08 July 1999 and Decree No.12/2000/ND-CP dated 05 May 2000 of the Government;

- Circular No. 03/2003/TT-BKH dated 19 May 2003 of MPI guiding the investment supervision and evaluation.

I. Vietnam Legal Framework on Investment Supervision and Evaluation over different periods (4)

(3) Decree No. 113/2009/ND-CP dated 15 December 2009 of the Government on investment supervision and evaluation.

- Circular No. 13/2010/TT-BKH dated 02 June 2010 prescribing on investment supervision and evaluation report templates.

- Circular No. 22/2010/TT-BKH dated 02/12/2010 guiding on the cost norm for supervision and evaluation of investment.

- Circular No. 23/2010/TT-BKH dated 13/12/2010 regulating on capacity conditions of investment project evaluation consultancy organizations and individuals

I. Vietnam Legal Framework on Investment Supervision and Evaluation over different periods (4)

- (4) Decree No. 84/2015/ND-CP dated 30 September 2015
- - Circular No. 22/2015/TT-BKH dated 18 December 2015 of the MPI guiding on the report templates for investment supervision and evaluation.

II. Current legal framework on investment supervision and evaluation in Vietnam

1. Basis for the formulation of Decree No. 84 on Investment Supervision and Evaluation:

- (1) Public Investment Law dated 18 June 2014;**
 - (2) Construction Law dated 18 June 2014;**
 - (3) Investment Law dated 26 November 2014.**
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II.1. According to Public Investment Law

From Article 77 to Article 84: Regulations on supervision and evaluation of PI plan, program, project; community supervision and evaluation.

II.2. According to Construction Law

Article 8 regulates the investment supervision and evaluation basing on different types of fund resources:

1. For project using state funding, competent state agency shall carry out supervision, assessment in accordance with provisions of legislation on public investment and legislation on construction according to approved assessment content and criteria;
2. For project using other source of funding, the competent state agency shall carry out supervision, assessment against objectives and compliance with relevant urban plan, land use, construction investment progress and environmental protection.
3. For infrastructure construction investment project using state funding, funding contributed by community and funding from domestic organization and individual, supervision by the community shall be carried out.

Within the scope of own duties and powers, the Viet Nam Fatherland Front at construction area shall organize the implementation of supervision by community.

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II.3. According to Investment Law

It's prescribed in Article 69 of the Investment Law that:

(1) Responsibility for supervision and evaluation of investment (4):

- a) The National Assembly and the People's Councils shall exercise their rights to supervise investment as prescribed by law;
- b) Investment authorities and specialized authorities shall carry out supervision and evaluation of investment on an overall scale and each project under their management;
- c) Register offices shall supervise and evaluate the investment projects to which they grant Certificates of investment registration;
- d) Vietnamese Fatherland Front shall supervise community investments within their competence.

(2) Supervision and evaluation of investment projects (2):

a) Investment authorities and specialized authorities shall:

- Carry out supervision and assessment according to the contents of the decisions on investment with regard to projects funded by state capital;

- With regard to projects funded by other sources, supervise and evaluate the conformity of the planning and investment policies approved by competent authorities, the investment schedule, fulfillment of environmental protection requirements, use of land and other resources as prescribed by law;

b) Registry offices shall assess the adherence to Certificates of investment registration and decisions on investment policies.

(3) Contents of overall supervision and assessment of investment (4):

a) Promulgation of legislative documents on guidelines for regulations of law on investment;

b) Progress of project execution;

c) Assessment of investment result nationwide, of Ministries, ministerial agencies, local authorities, and investment projects under their management;

d) Propose solutions for difficulties and actions against violations to regulatory agencies at the same level and investment authorities.

- **(4) Besides, the Investment Law has regulations on National Investment Information System (Article 70); Reports on investment (Article 71); Reports on overseas investment (Article 72).**

DECREE No.84/2015/ND-CP

Consist of 11 Chapters and 73 articles:

- 1. Chapter I: GENERAL PROVISIONS**
- 2. Chapter II: SUPERVISION AND EVALUATION OF INVESTMENT PROJECTS FUNDED BY STATE BUDGET**
- 3. Chapter III: SUPERVISION AND EVALUATION OF PPP PROJECTS**
- 4. Chapter IV: SUPERVISION AND EVALUATION OF INVESTMENT PROJECTS FUNDED BY OTHER SOURCES OF CAPITAL**
- 5. Chapter V: SUPERVISION AND EVALUATION OF OUTWARD INVESTMENT PROJECTS**
- 6. Chapter VI: OVERALL SUPERVISION AND EVALUATION OF INVESTMENT**
- 7. Chapter VII: PUBLIC SUPERVISION OF INVESTMENT**

- 8. Chapter VIII: COSTS OF INVESTMENT SUPERVISION AND EVALUATION**

- 9. Chapter IX: CAPACITY REQUIREMENTS FOR CONSULTANCY ON EVALUATION OF INVESTMENT PROJECTS**
- 10. Chapter X: ORGANIZATION OF INVESTMENT SUPERVISION AND EVALUATION**
- 11. Chapter XI: IMPLEMENTATION**

New contents of Decree No. 84/2015/ND-CP in comparison with Decree No.113/2009/ND-CP

- The provisions on monitoring, inspection and evaluation of investment projects are simpler and more consistent with the scale of the investment project.
 - Additional provisions that the results of the supervision and evaluation of investment is an important input factor in the process of developing and approving the policies, plans, programs and projects.
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New contents of Decree No. 84/2015/ND-CP in comparison with Decree No.113/2009/ND-CP

- Additional provisions on monitoring, inspection and evaluation of investment projects using ODA capital and oversea direct investment projects.
- Additional provisions on monitoring, inspection and evaluation of investment programs (national targeted programs, targeted support programs) and umbrella projects.

New contents of Decree No. 84/2015/ND-CP in comparison with Decree No.113/2009/ND-CP

- Additional regulations on the organizational structure of the agency, unit in charge of investment supervision and evaluation to ensure the consistence from Central level to Locality and Investor/PMU.

New contents of Decree No. 84/2015/ND-CP in comparison with Decree No.113/2009/ND-CP

- Adjust the reporting regime and revise the reporting form to be simpler and more consistent with reality, compatible with the reporting forms regulated in other legal documents; Reporting forms are adjusted to suit with the nature and scale of the project groups A, B, C; toward informatics practices

New contents of Decree No. 84/2015/ND-CP in comparison with Decree No.113/2009/ND-CP

- Capacity requirements for consultancy are more detailed.
- Contents for investment supervision and evaluation trainings are adjusted in the way that enhance capacity of project manager and governmental officials.

New contents of Decree No. 84/2015/ND-CP in comparison with Decree No.113/2009/ND-CP

- Additional provisions to clarify the responsibility of the investment deciders, person who grant the investment certificate, heads of agencies and units.
- Additional provisions on mandatory disclosure of information of investment supervision and evaluation results
- To supplement and perfect the regulations on investment supervision by the community.
- Actively implementing and perfecting the system settings in the field of computerization of monitoring and evaluation of investment.

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

1. At central level (ministry, sector)

- The ministries, central agencies have assigned 01 focal unit responsible for investment supervision and evaluation.
- Annually held the planned or irregular investigation.
- The semi-annual and annual reports on investment supervision and evaluation are basically well-done.

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

2. At the local level

- Most localities have assigned 01 focal unit responsible for investment supervision and evaluation which varies among provinces.
- Annually held planned or irregular investigation.
- The semi-annual and annual reports on investment supervision and evaluation are basically well-done

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

3. At Corporation level

- Have assigned 01 focal unit responsible for investment supervision and evaluation.
- Annually held the planned or irregular investigation.
- The semi-annual and annual reports on investment supervision and evaluation are basically well-done.

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

4. Investment Supervision and Evaluation Information System

The Investment Supervision and Evaluation Information System in Vietnam was set up and put into operation in 2015

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

4. Investment Supervision and Evaluation Information System

-In 2015 and 2016, MPI has organized a number of trainings nationwide on supervision and evaluation activities and guiding the application of information system.

- MPI has supported investors to update project information onto the system (project group B and larger).

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

4. Investment Supervision and Evaluation Information System

Currently, the system has updated detailed information of around 7.471 projects. MPI shall continue to upgrade the system to monitor all projects using State capital; sharing information publicly in accordance with current regulations.

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

5. The difficulties and limitations of investment supervision and evaluation in Vietnam:

- The information system has just been operated; therefore, the project information updated by investors is still not timely.
 - Not enough necessary information, data in the report as required; causing difficulties in synthesis.
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PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

5. The difficulties and limitations of investment supervision and evaluation in Vietnam:

- The ministries, sectors and localities are not active in project evaluation activities.
- Lack of personnel in charge of project evaluation activities.

PERFORMANCE OF INVESTMENT SUPERVISION AND EVALUATION ACTIVITIES IN VIETNAM

6. The difficulties and limitations of investment supervision and evaluation in Vietnam:

The assessment of investment projects, especially impact assessment has not been carried out in professional manner.

Most of the projects are assessed by the donors; the government agencies have not actively done.

RECOMMENDATIONS ON INVESTMENT SUPERVISION AND EVALUATION IN VIETNAM

- Capacity building for staffs in charge from the central to local levels.
- Strengthening the support of donors (bilateral and multilateral) in the supervision and evaluation of investment projects.
- Improving information systems for supervision and evaluation of public investment projects; proceeding to develop systems for monitoring and evaluation of investment under the provisions of the Law on Investment.

RELATED DOCUMENTS

- PI Law, Investment Law, Construction Law;
 - Circular No. 22/2015/TT-BKHDT dated 18 December 2015.
 - Information systems on investments using state capital.
 - National information system on foreign investment.
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THANK YOU!